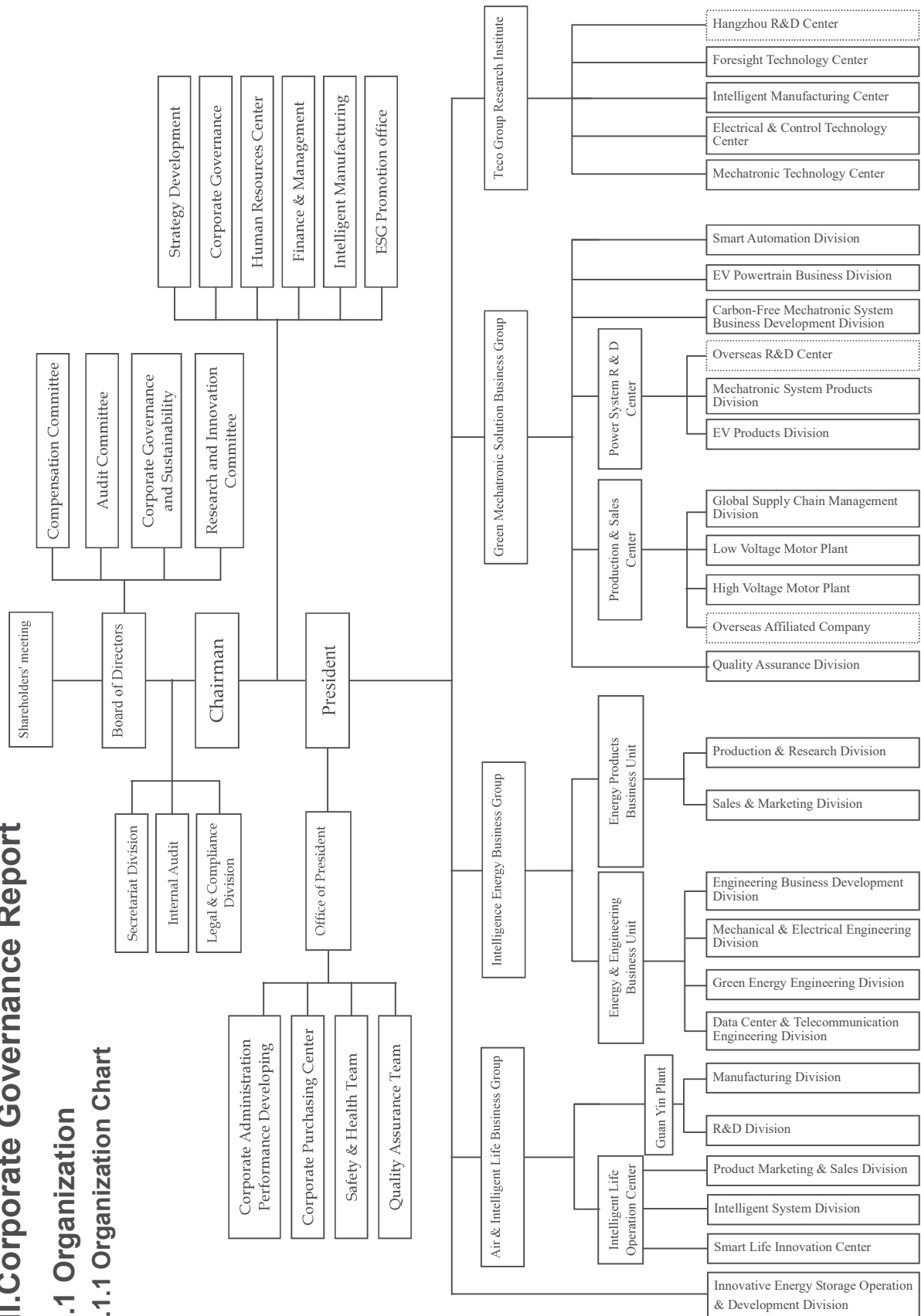


III. Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Major Corporate Functions

Business Unit	Operations
Green Mechatronic Solution	Production of 1-phase motors, vehicle-used motors, permanent-magnet motors, 3-phase motors, iron and steel casting, high-efficiency motors, anti-explosive motors, inverter-duty motors, DC motors, generators, inverters, programmable logic controllers, servo controllers and other products, production and sales of AGV (automated guided vehicle) and other products.
Intelligence Energy	<p>Supplier of profession electric equipment and systems-related materials (R&D, design, production, and sales of equipment)</p> <p>Undertaking of projects related to power generation and transportation (transmission & distribution of power, power plant, alternative energy, and construction and maintenance of rail stations and airports, as well as railway power system); Air-conditioning equipment for specific environments such as clean rooms;</p> <p>Design, construction and management of electrical engineering systems for high-rise buildings.</p> <p>Design, construction and management of engineering for IDC plants.</p> <p>Offshore wind power substation project.</p> <p>integration of air-conditioning and electrical engineering systems for hospitals and hotels;</p> <p>Water resource/water pump stations and other related projects;</p> <p>Ultra-high pressure 161KV/69KV substations switchgears and installation projects.</p> <p>Project of smart grid and energy storage; system integration nosiness of solar power system;</p> <p>Production and sale of electromagnetic switch, molded- case circuit breakers and electronic relays</p>
Air and Intelligent Life	<p>Production, assembly, sales, and repair of residential air conditioners, refrigerators, washing machines, dehumidifiers, dryers, LCD monitors, home appliances, seasonable appliances, beauty appliances, kitchen appliances, freezer storages, low-temperature caged carts, freezers, chillers for machine tools, inverter duty water/oil cooling machine tool set, assembly-type air-conditioning box, VRF air conditioning set, Water-cooled wholly encased type/semi-encased spiral type/centrifugal icy-water machine set, cloud-end smart system, business air-cooled split-type air conditioner, water-/air-cooled packaged air conditioner, air-cooled chiller machine, fan filter unit, air vent, industrial-use dehumidifier, freezing/cooling machine, dealership of other domestic and foreign home appliances brands, as well as various types of air-conditioned products.</p> <p>Chip-embedded cards for financial, e-banking, medical, membership loyalty, surveillance, e-invoice, and public transportation services; systems integration for ITS- and RFID-based cards; non-person vending machine.</p>
Innovative Energy Storage Operation & Development Division	Integration, operation, and, maintenance of energy storage systems; development, investment, installation, and operation of solar power stations
Teco Group Research Institute	Research and development catering to requirements of the medium-to-long term development of new products and technical support to members of the TECO group.

3.2 Directors and Management Team

3.2.1 Directors

March 31, 2022

Title	Nationality/ Companies Registry	Name	Gender Age	Date Elected	Term (Years)	Date First Elected (Note)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship	
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Relation
Chairman	ROC	Tung Kuang Investment Co., Ltd.		2021.7.23	3	2000.4.21	31,991,364	1.50%	31,991,364	1.50%	0	0%	0	0%	MBA, University of Michigan, Ann Arbor	Chairman of Taiwan Pelican Express Co., Ltd & Motovario Sp.A ...	-	-
	ROC	Representative: Chwen-Iy Chiu	Female 61~70	2021.7.23	3	2006.6.15	0	0%	2,218,674	0.10%	16,987	0.00%	0	0%				
Director	ROC	Tong Ho Global Investment Co., Ltd		2021.7.23	3	2000.4.21	2,240,262	0.10%	2,240,262	0.10%	0	0%	0	0%	Bachelor of Economics, Fu Jen Catholic University	Chairman of Sen Yeh Construction Co., Ltd. Independent Director of Aurotek Corporation	-	-
		Representative: Cheng-Tsung Huang	Male 61~70	2021.7.23	3	1991.5.8	0	0%	15,279,849	0.71%	2,110,934	0.10%	0	0%				
Director	ROC	Show-Shoun Chou	Male 51~60	2021.7.23	3	2021.7.23	0	0%	10,000	0.00%	0	0%	0	0%	PhD of Policy Analysis and Administration, Cornell University	Chairman of Yu Shan Entertainment Cooperation CO., Ltd. Director of National Policy Foundation	-	-
Director	ROC	Ho Yuan International Investment Co., Ltd.		2021.7.23	3	2021.7.23	23,467,000	1.10%	50,420,000	2.36%	0	0%	0	0%	Master of Public Administration, National Chengchi University	Supervisor of PJ Asset Management	-	-
	ROC	Representative: Pen-Ching Cheng	Male 61~70	2021.7.23	3	2021.7.23	0	0%	0	0%	1,657	0.00%	0	0%				
Director	ROC	Ying Int. Inv. Co., Ltd		2021.7.23	3	2018.6.15	14,454,698	0.68%	22,554,698	1.05%	0	0%	0	0%	Master of Science, University of Warwick	Chairman of Ying Int Inv. Co., Ltd Director of Ta Hong Machinery Co., Ltd.	-	-
	ROC	Representative: Li-Chong Huang	Male 51~60	2021.7.23	3	2021.1.1	0	0%	0	0%	0	0%	0	0%				
Director	ROC	Creative Sensor Inc.		2021.7.23	3	2009.6.19	77,519,000	3.62%	77,519,000	3.62%	0	0%	0	0%	AM, East Asia Studies, Harvard University	Director and Executive Vice President of Universal Cement Corporation Director of Tainan Spinning Co., Ltd.	-	-
	ROC	Representative: Jack Hou(Note)	Male 31~40	2021.7.23	3	2021.7.23	0	0%	0	0%	0	0%	0	0%				

Title	Nationality/ Companies Registry	Name	Gender Age	Date Elected	Term (Years)	Date First Elected (Note)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	ROC	Song-Ren Fang	Male 51~60	2021.7.23	3	2021.7.23	0	0	0	0	0	0	0	0	PhD of Material Science and Engineering, Stanford University, US	Chairman of Darwin Venture Management Independent Director of Scientech Corporation			
Independent Director	ROC	Wei-Chi Liu	Male 61~70	2021.7.23	3	2018.6.15	0	0	0	0	0	0	0	0	PhD of Kellogg Graduate School of Management, Northwestern University, USA	Independent Director of Fusheng Precision Co., Ltd and An-Shih Food Co., Ltd.	-	-	-
Independent Director	ROC	Hsieh-Hsing Huang	Male 61~70	2021.7.23	3	2021.7.23	0	0	0	0	0	0	0	0	Master of Laws Program for Executive, National Chengchi University Master of Business Management, National Sun Yat-sen University	Chairman of Chungsun Prime Certified Public Accountants Independent Director of China Airlines Ltd.	-	-	-
Independent Director	ROC	Li-Chen Lin	Female 61~70	2021.7.23	3	2021.7.23	0	0	0	0	0	0	0	0	Master of Business Administration, Tulane University Bachelor of Department of Law, National Taipei University	Director of PCL TransAsia Law Offices Director of CPC Corporation, Taiwan	-	-	-
Independent Director	ROC	Shiang-Chung Chen	Male 51~60	2021.7.23	3	2021.7.23	0	0	0	0	0	0	0	0	Bachelor of Industrial Engineering, Purdue University	Chairman of Mercuries Data Systems Ltd. Independent Director of Walsin Lihwa Corporation			

Note: The representative of Creative Sensor Inc. changed from Johnson Hou to Jack Hou on December 22nd 2022.

Information disclosure of Director qualifications and independence of independent directors

Name	Criteria	Professional Qualification and Experience	Independent Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
<p>Tung Kuang Investment Co., Ltd. Representative: Chwen-Jy Chiu</p> <p><input checked="" type="checkbox"/> Convener <input checked="" type="checkbox"/> Committee members (Note1)</p>		<p>After graduating from the College of Commerce, National Taiwan University, Ms. Chwen-Jy Chiu subsequently obtained a master degree in accounting from National Chengchi University and an MBA degree from the University of Michigan.</p> <p>She once served as vice president in charge of business at the Taipei branch of ABN AMRO. Since joined the TECO management team in 1997, she served at TECO such stints as director of the financial department, assistant vice president of the home-appliance division, vice president and president. Since taking over as the chairman in 2014, she has led the company to move steadily towards smart manufacturing, low-carbon, and digital transformation, in order to realize the vision of "energy saving, emission reduction, intelligence, and automation".</p> <p>Chairman Chiu has been focusing on the operation and management of the electromechanical equipment industry for more than 20 years. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	Chairman Chiu also serves as director and chairman of the company's affiliates and is representative of the company's judicial-person shareholder (Tungkuang Investment). For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.	0
<p>Tong Ho Global Investment Co., Ltd Representative: Cheng-Tsung Huang</p>		<p>Graduated from economics department of Fu Jen Catholic University, Mr. Huang has over 30 years of work experience. He once served as President of Importers and Exporters Association of Taipei (2012-2018) and President of Taiwan Business Council for Sustainable Development (2015-2021). Now, he is appointed as chairman of Sen Yeh Construction Co., Ltd. and independent director of Euroteck Corp.</p> <p>Mr. Huang is proficient in electric vehicle, smart automation, smart city, new energy, land development, corporate operation leadership, international marketing and sales, ESG and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	Director Huang also serves as director of the company's affiliates and is representative of the company's judicial-person shareholder (Tungkuo International). For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.	1
<p>Show-Shoun Chou</p> <p><input checked="" type="checkbox"/> Committee members <input checked="" type="checkbox"/> Committee members</p>		<p>With a PhD of management in policy analysis and administration from Cornell University, US, Mr. Chou who served in the Legislative Yuan from 2005 to 2012 and vice chairman of ADATA Technology (2012-2017). Now, he is appointed as the consultant of the Legislative Yuan, chairman of Yu Shan Entertainment Cooperation Co., Ltd., director and CEO of National Policy Foundation.</p> <p>Mr. Chou has the diverse professional background in electric vehicle, smart city, corporate operating leadership, government policy and other areas for more than 20 years. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	Director Chou is a natural-person shareholder Conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.	0
<p>Ho Yuan International Investment Co., Ltd. Representative: Pen-Ching Cheng</p>		<p>With Master of Public Administration from National Chengchi University, Mr. Cheng has over 30 years work experience. He once served as commissioner, Department of Personnel, Taipei City Government (retired in 2021), secretary to director and director of Directorate-General of Personnel Administration, Executive Yuan and director of Shin Shin Natural Gas Co., Ltd. (2012-2015). Now, he is supervisor of PJ Asset Management Co.</p> <p>Mr. Cheng excels in organizational portfolio, government policy, ESG and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	Director Cheng is representative of the company's judicial-person shareholder (Hoyuan International Investment) and supervisor of one of the top five judicial-person shareholders (PJ Asset Management) For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.	0

Criteria	Professional Qualification and Experience	Independent Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
<p>Name</p> <p>Ying Int. Inv. Co., Ltd Representative: Li-Chong Huang</p>	<p>With the Master of Science in IT and manufacturing from University Warwick, he has over 20 years of work experience. He once worked with HP, China InfoSystems Architect IV and IBM, GBS, Taiwan Business Consultant. He served as special assistant for president office at TECO Electric & Machinery Co., Ltd. from 2010. Now he is chairman of Ying Yi International Investment Co., Ltd. and director of Da Hong Machinery Co., Ltd.</p> <p>Mr. Huang has experience in electric vehicle, smart automation, smart city, new energy, ESG and so on. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	<p>Director Huang serves as special assistant to the company's ESG promotion office and is representative of the company's judicial-person shareholder (Ying International Investment). For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</p>	<p>0</p>
<p>Creative Sensor Inc. Representative: Jack Hou</p>	<p>Mr. Hou received a bachelor's degree in political science from Columbia University and a master's degree from the East Asian Institute of Harvard University.) director, director of China United Resources (Shares) Co., Ltd., etc.</p> <p>Director Hou has been focusing on the cement industry and electronic technology industry-related operations planning for more than 10 years. He has majors in international sales and marketing, smart automation, and new energy, as well as more than ten years of work experience.. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	<p>Director Ho is representative of the company's judicial-person shareholder (Creative Sensor Inc.) For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</p>	<p>0</p>
<p>Song-Ren Fang</p> <p><input checked="" type="checkbox"/> Committee members</p>	<p>Mr. Fang graduated from the department of physics, National Central University and then obtained PhD of Material Science and Engineering from Stanford University, US.</p> <p>Mr. Fang has more than 25 years of work experience. He joined the R&D department of UMC and held the positions in 1999-2006, such as director of Client Engineering Department, director of New Business Development Group and Customer Engineering at UMC Taiwan and cooperate VP of UMC USA. Now, he is appointed as chairman of Darwin Venture Management, director of Koryo Electronic Co Ltd. He has experience in semi-conductor industry, venture management and corporate operating leadership. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	<p>Director Fang is a natural-person shareholder Conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</p>	<p>1</p>
<p>Wei-Chi Liu</p> <p><input checked="" type="checkbox"/> Convener <input checked="" type="checkbox"/> Committee members</p>	<p>Mr. Liu has Bachelor of Business Administration from National Cheng Kung University, Master and PhD of Business Administration from Northwestern University, US.</p> <p>Mr. Liu has over 30 years of experience. He once served as president of Chung Hua University, chairman of International Bills Finance Corp. and chairman of Taiwan High Speed Rail Corp. Now, he is President of Chung Hua University, independent director of Fusheng Precision Company, and independent director of Fusheng Precision Company. He is professionally proficient in financial management, operating strategy, government policy, financial investment, smart city, ESG and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	<p>In the two year prior to their appointment and during their tenure, the four independent directors on the left all conform to conditions specified in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission and meet qualifications set in article 12-2 of the Securities and Exchange Act, in addition to fulfillment of responsibilities independently with power for participation in and opinion expression for decision making, as authorized by article 14-3 of the Securities & Exchange Act.</p>	<p>2</p>

Criteria	Professional Qualification and Experience	Independent Situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
<p>Name</p> <p>Hsieh-Hsing Huang</p> <p><input checked="" type="checkbox"/> Committee members</p> <p><input checked="" type="checkbox"/> Committee members</p> <p><input checked="" type="checkbox"/> Committee members</p>	<p>After graduated from Department of Economics, National Chengchi University, Mr. Huang obtained Master of Laws Program for Executive from National Chengchi University and Master of Business Management from National Sun Yat-sen University.</p> <p>Mr. Huang has over 30 years of work experience as a certified CPA. He once served as chairman of the New Taipei City Tax Agent Association (2010-2012), director of CPA Associations R.O.C. (Taiwan) (2019-2021) and supervisor of Taiyen Biotech Co., Ltd. (2007). Now, he serves as chairman of Chungsun Prime Certified Public Accountants (founder) and independent director of China Airlines.</p> <p>He has professional background in electric vehicle, land development, corporate operating leadership, government strategy, ESG, accounting and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	<p>In the two year prior to their appointment and during their tenure, the four independent directors on the left all conform to conditions specified in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission and meet qualifications set in article 12-2 of the Securities and Exchange Act, in addition to fulfillment of responsibilities independently with power for participation in and opinion expression for decision making, as authorized by article 14-3 of the Securities & Exchange Act.</p>	<p>1</p>
<p>Li-Chen Lin</p> <p><input checked="" type="checkbox"/> Convener</p> <p><input checked="" type="checkbox"/> Committee members</p> <p><input checked="" type="checkbox"/> Committee members</p> <p><input checked="" type="checkbox"/> Committee members</p>	<p>Graduated from Bachelor of Law from National Taipei University, Ms. Lin obtained Master of Business Administration from Tulane University.</p> <p>Ms. Lin has over 30 years of work experience and lawyer certificate. She once was international partner of Jones, Day, Reavis & Pogue, independent director of Cheng Uei Precision Industry Co., Ltd. (2011-2014) and independent director of Super Dragon Technology Co., Ltd. (2010-2012). Now, she is director of PCL at TransAsia Law Offices and chairman of Homenema Technology Incorporation. She has professional background in intelligent automation, smart city, new energy, land development, corporate operating leadership, EGS, law and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	<p>In the two year prior to their appointment and during their tenure, the four independent directors on the left all conform to conditions specified in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission and meet qualifications set in article 12-2 of the Securities and Exchange Act, in addition to fulfillment of responsibilities independently with power for participation in and opinion expression for decision making, as authorized by article 14-3 of the Securities & Exchange Act.</p>	<p>0</p>
<p>Shiang-Chung Chen</p> <p><input checked="" type="checkbox"/> Committee Convener</p> <p><input checked="" type="checkbox"/> Committee members</p> <p><input checked="" type="checkbox"/> Committee members</p>	<p>Graduated from Department of Industrial Engineering, Purdue University, Mr. Chen has over 25 years of work experience. He once acted as director of Taipei Independent Director Association, director of the Institute for National Policy Research and Vice President of Criminal Investigation and Prevention Association of the Republic of China. Now he is chairman of Mercuries Data Systems Ltd and independent director of Walsin Lihwa Corporation.</p> <p>Mr. Chen has professional background in intelligent automation, new energy, corporate operating leadership, ESG and other areas. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	<p>In the two year prior to their appointment and during their tenure, the four independent directors on the left all conform to conditions specified in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission and meet qualifications set in article 12-2 of the Securities and Exchange Act, in addition to fulfillment of responsibilities independently with power for participation in and opinion expression for decision making, as authorized by article 14-3 of the Securities & Exchange Act.</p>	<p>1</p>

Note 1: Functional Committees : ☒ Audit Committee ☒ Compensation Committee ☒ Corporate Governance and Sustainability Committee ☒ Research & Innovation Committee

Diversification and Independence of Board of Directors

Diversification of Board:

In line with the policy of membership diversification for the board of directors, as stipulated in the "Corporate Governance Best Practice Principles." Include but not restrict the following two standards:

Basic condition: gender, age, nationality, race and culture, etc.;

Professional knowledge and skill: professional background (such as law, accounting, industry, finance, marketing and technology), professional skill and industrial experience.

The Company select 11 directors (including 4 independent directors) at 2021 Shareholders' Meetings. The members of the board of directors are all outstanding figures in industry and academia, boasting mutually complemented industrial experience, as well as expertise in finance, economics, accounting and law, meeting the diversified board management goals (See Note 1: Implement the policy of diversification in the board).

Management targets:

- (1). At least 1 female director of the board members;
- (2). More than one-third of the board seats are independent directors;
- (3). Directors concurrently act as managerial officers shall not be more than one-third of the board seats;
- (4). No more than two directors have a marital relationship, or a relative within the second degree of kinship to any other director of the Company.

Target achievements:

- (1). The board includes 2 female directors, increased from 6.67% to 18.18%; Achieved
- (2). The proportion of independent directors increases from 20% to 36.36% ; Achieved
- (3). No directors concurrently held the managerial officer position; Achieved
- (4). No directors have a marital relationship, or a relative within the second degree of kinship to any other director of the Company. Achieved

Note 1: Implement the policy of diversification in the board

Diversification Core items	Basic conditions and value			Dates of first appointment (MM/DD/YY)	Tenure of independent directors	Professional background/Experience						Knowledge and Skill							Industrial experience			
	Sex	Age	Nationality			Electric vehicles	Intelligent automation	Intelligent city	New energy	Land development	Corporate operating leadership	Government strategy	Government strategy	Govern- ent strategy	International Sales and marketing	Financial managem- ent	E S G	Supervi- sion	Legal	Electromechanical equipment	Electronic technology	Finance and Accounting
Name																						
Chwen-Jy Chiu	F	61-70	ROC	950615	-	•	•	•	•		•	•			•				•			
Cheng-Tsung Huang	M	61-70	ROC	800508	-	•	•	•	•		•								•			
Show-Shoun Chou	M	51-60	ROC	1100723	-	•	•	•			•	•								•		
Pen-Ching Cheng	M	61-70	ROC	1100723	-							•										
Li-Chong Huang	M	51-60	ROC	1100101	-	•	•	•	•						•				•			
Chih-Sheng Hou	M	31-40	ROC	1111222	-		•	•							•					•		
Song-Ren Fang	M	51-60	ROC	1100723	-		•	•			•									•		
Wei-Chi Liu (independent director)	M	61-70	ROC	1070615	3-6 年	•	•	•	•		•	•	•	•	•	•					•	
Hsieh-Hsing Huang (independent director)	M	61-70	ROC	1100723	<3 年	•					•	•	•		•	•	•				•	
Li-Chen Lin (independent director)	F	61-70	ROC	1100723	<3 年		•	•	•	•					•	•		•		•		
Shiang-Chung Chen (independent director)	M	51-60	ROC	1100723	<3 年							•				•				•		

Board independence:

- (1). There are 11 directors in total, and 6 directors meet the independence conditions of the "Measures for the Appointment of Independent Directors of Public Offering Companies and Matters to Be Followed" (accounting for 54.55%), and 4 are independent directors (accounting for 36.36%).
- (2). Independent directors shall serve no more than three consecutive terms, and concurrently serve as independent directors of other public companies shall not exceed three. There are 3 independent directors whose term of office is less than 3 years, and 1 independent director whose term of office is 3-6 years.
- (3). There is no spouse or second-degree relative relationship between directors (there is no circumstance specified in Item 3 and Item 4 of Article 26-3 of the Securities Exchange Act). All directors uphold a high degree of self-discipline. Those who have an interest in the proposals listed on the board of directors, themselves or the legal person they represent, shall not participate in the discussion when the important content of their interest relationship is stated at the board meeting, if it is harmful to the interests of the company. vote, and shall be abstained from discussion and voting, and shall not act on behalf of other directors to exercise their voting rights (please refer to page 23 The implementation of Directors' avoidance of motions in conflict of interest)

3.2.2 Management Team

Title	Nationality	Name	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Note
				Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	ROC	Thomas Fann (Note 1)	2022.4.7	0	0.0%	0	0.00%	0	-	Ph.D. Mechanical Engineering, University of Michigan	Chairman of Shanghai Teco Electric & Machinery Pte Ltd	-	-	-	Note 1
Business Group President	ROC	Sung-Pin Chang	2015.8.12	93,181	0.00%	0	0.00%	0	-	Bachelor of Chemical Engineering, National Tsing Hua University	Chairman of Teco Technology (Vietnam) Co., Ltd	-	-	-	
Business Group President	ROC	Chi-Tseng Peng	2017.1.1	21,352	0.00%	0	0.00%	0	-	Master of Telecom Engineering, University of Pittsburgh	Chairman of A-Ok Technical Co., Ltd.	-	-	-	
Business Group President	ROC	Fei-Yuan Kao	2017.1.1	113,954	0.00%	305	0.00%	0	-	Master of Mechanical Engineering, National Central University	Chairman of Teco Vietnam Co., Ltd	-	-	-	
General Director of Teco Group Research Institute	ROC	Kun-Yao Ho	2021.8.6	0	0.00%	0	0.00%	0	-	PhD of advanced materials science, the University of Tokyo	-	-	-	-	
Corporate Governance Officer	ROC	Shih-Hsiung Chien	2019.6.1	0	0.00%	0	0.00%	0	-	Master of Business Administration, National Chung Cheng University	-	-	-	-	
Accounting Chief	ROC	Tommy Wu	2020.11.13	0	0.00%	0	0.00%	0	-	Master of accounting, National Chengchi University	Supervisor of Tong-An Assets Management & Development Co., Ltd.	-	-	-	

Note 1 : President Thomas Fann took office on April 7th 2022. Former President, Chao-Chih retired

Note 2 : Sheng-Chyuan Lin retired on May 1st 2022.

3.2.3 Remuneration of Directors, President and Vice President

Remuneration of Directors (Including Independent Directors)

		December 31, 2022 / Unit: NT\$ thousands									
		Remuneration				Relevant remuneration received by directors who are also employees					
Code	Title	Name	Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)		Ratio of total remuneration (A+B+C+D) to net income (%)
			The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	
1	Chairman	Tung Kuang Investment Co., Ltd. Representative : Chwen-Jy Chiu									
2	Director	Tong Ho Global Investment Co., Ltd. Representative : Cheng-Tsung Huang									
3	Director	Show-Shoun Chou									
4	Director	Ho Yuan International Investment Co., Ltd. Representative: Pen-Ching Cheng	-		-		Total 69,926	Total 264	Total 264		2.03%
5	Director	Yingde Int. Inv. Co., Ltd. Representative : Li-Chong Huang									2.03%
6	Director	Creative Sensor Inc. Representative: Johnson Hou/Jack Hou									
7	Director	Show-Shoun Chou									
8	Independent Director	Wei-Chi Liu									
9	Independent Director	Hsieh-Hsing Huang									
10	Independent Director	Li-Chen Lin	-		-		Total 9,600	Total 528	Total 528		0.29%
11	Independent Director	Shiang-Chung Chen									

Note 1: As there was no retirement in 2021, fund in the column is either provision or appropriation for retirement payment and is treated as expenses.

Bracket	Name of Directors(Note)			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements (I)	The company	Companies in the consolidated financial statements (J)
Under NT\$ 1,000,000				
NT\$1,000,000 ~ Under NT\$2,000,000				
NT\$2,000,000 ~ Under NT\$3,500,000	8.9.10.11	8.9.10.11	8.9.10.11	8.9.10.11
NT\$3,500,000 ~ Under NT\$5,000,000				
NT\$5,000,000 ~ Under NT\$10,000,000	2.3.4.5.6.7	2.3.4.5.6.7	2.3.4.5.6.7	2.3.4.5.6.7
NT\$10,000,000 ~ Under NT\$15,000,000	1	1	1	1
NT\$15,000,000 ~ Under NT\$30,000,000				
NT\$30,000,000 ~ Under NT\$50,000,000				
NT\$50,000,000 ~ Under NT\$100,000,000				
Over NT\$100,000,000				
Number of Directors	11	11	11	11

Note : Shown by code of Directors in the previous table

Compensation of President and Vice President

December 31, 2022/ Unit: NT\$ thousand

Code	Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				Ratio of total compensation (A+B+C+D) to net income(%)	Ratio of total compensation (A+B+C+D) to net income(%)	Compensation paid to the president and vice president from an invested company other than the company's subsidiary
			The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
									Cash	Stock	Cash	Stock			
1	Chairman	Chwen-Jy, Chiu													
2	President	Thomas Fann (Note 1)													
3	President	Chao-Chih Lien (Note 1)													
4	Business Group President	Sung-Pin Chang													
5	Business Group President	Chi-Tseng Peng													
6	Business Group President	Fei-Yuan Kao	Total 19,127	Total 19,127	Total 1,020	Total 1,020	Total 32,406	Total 34,311	Total 21,425	-	Total 21,425	-	2.14%	2.19%	
7	Assistant Vice President	Sheng-Chyuan Lin (Note 2)													
8	General Director of Teco Group Research Institute	Kun-Yao Ho													
9	Corporate Governance Officer	Shih-Hsiung Chien													
														Total 465	

Note 1 : President Thomas Fann took office on April 7th 2022. Former President, Chao-Chih retired

Note 2 : Sheng-Chyuan Lin retired on May 1st 2022.

Bracket	Name of President and Vice President (Note)	
	The company	Companies in the consolidated financial statements
Under NT\$ 1,000,000		
NT\$1,000,000 ~ under NT\$2,000,000		
NT\$2,000,000 ~ under NT\$3,500,000	9	9
NT\$3,500,000 ~ under NT\$5,000,000	2.3	2
NT\$5,000,000 ~ under NT\$10,000,000	4.5.6.7.8	3.4.5.6.7.8
NT\$10,000,000 ~ under NT\$15,000,000		
NT\$15,000,000 ~ under NT\$30,000,000	1	1
NT\$30,000,000 ~ under NT\$50,000,000		
NT\$50,000,000 ~ under NT\$100,000,000		
Over NT\$100,000,000	9	9
Number of Executives		

Note : Shown by code of Executives in the previous table

Employee Bonus to Executive Officers

2022.12.31/ Unit: NT\$ thousand

	Title	Name	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	Chairman	Chwen-Jy, Chiu				
	President	Thomas Fann (Note 1)				
	President	Chao-Chih Lien (Note 1)				
	Business Group President	Sung-Pin Chang				
	Business Group President	Chi-Tseng Peng				
	Business Group President	Fei-Yuan Kao				
	Assistant Vice President	Sheng-Chyuan Lin (Note 2)				
	General Director of Teco Group Research Institute	Kun-Yao Ho				
	Corporate Governance Officer	Shih-Hsiung Chien				
			-	Total 21,425	Total 21,425	0.62%

Note 1 : President Thomas Fann took office on April 7th 2022. Former President, Chao-Chih retiredNote 2 : Sheng-Chyuan Lin retired on May 1st 2022.

3.2.4 Comparison of Remuneration for Directors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents and Vice Presidents

Year	Total remuneration paid to directors, presidents and vice presidents	Unit: NT\$ thousand	
		Ratio of total remuneration paid to directors, presidents and vice presidents to net income (%)	
2022	156,200	4.52%	
2021	182,329	3.64%	

The company's compensations are set according to levels offered by peers for the same positions, responsibilities of the positions, and their contribution to the company in achieving its business goal. The determination of compensations is based on the company's guidelines for performance and compensations, which take the company's overall business performance into account, achievement of an employee's personal performance goal, and his/her contribution to the corporate performance, in order to reach reasonable levels of compensation. Year-end bonus is paid out according to a fixed share of net profits, which can only be changed by a resolution of the board of directors.

According to Regulations Governing the Board Performance Evaluation, the performance of the board is evaluated at the end of the fiscal year. The self-evaluation items for directors include: Personal understanding on the company's goal and mission, acknowledgement of duty of directors, participation in the company's operation, internal relationship and communication, expertise and continuous training of directors and internal control.

The senior managers conduct performance evaluation at the end of each quarter based on the special key performance indicators (KPI) of the panel industry. The KPI-based assessed items include: value-added operation, accelerated operation, deepened management and forward-looking layout. 60% of the assessed items are related to financial indicators (e.g. operating income, operating profit, current profit and loss, total asset turnover, ROA, ROIC...); 40% of the assessed items are related to long-term planning and executive status.

Long-term performance reward mechanism: The Company has implemented the TECO Trust since 2020. Part of employee remuneration above the managerial officers will adopt the shareholding trust method to hold the shares of TECO, and the shares can be retrieved after two years. Adopted such mechanism, the TECO will strengthen the connection between senior managers' rewards and long-term operating income, to improve cohesion and sense of ownership and share the Company's operating achievements.

Year-end bonus is paid out according to a fixed share of net profits, which can only be changed by a resolution of the board of directors.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

A total of 9 meetings of the 25th board of directors were held in 2022, director attendance was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Chairman	Tung Kuang Investment Co., Ltd. Representative : Chwen-Jy, Chiu	9	0	100 %	Should attend 9 times
Managing Director	Tong Ho Global Investment Co., Ltd Representative : Cheng-Tsung Huang	9	0	89%	Should attend 9 times
Managing Director	Show-Shoun Chou	9	0	100%	Should attend 9 times
Managing Director	Ho Yuan International investment Co., Ltd Representative: Pen-Ching Cheng	9	0	100%	Should attend 9 times
Managing Director	Yinge Int. Inv. Co.,Ltd Representative : Li-Chong Huang	9	0	100%	Should attend 9 times
Managing Director	Creative Sensor Inc.				
	Representative : Johnson Hou	8	0	100%	Should attend 8 times
	Representative : Jack Hou	1	0	100%	Should attend 1 times
Managing Director	Song-Ren Fang	9	0	100%	Should attend 9 times
Independent Director	Wei-Chi Liu	9	0	100%	Should attend 9 times
Independent Director	Hsieh-Hsing Huang	9	0	100%	Should attend 9 times
Independent Director	Li-Chen Lin	9	0	100%	Should attend 9 times
Independent Director	Shiang-Chung Chen	9	0	83%	Should attend 9 times

Other mentionable items:

- If there is the following situation referred to the operation of Board of Director, the date of Board meeting, period, contents of the case, opinion of all Independent Director, and company's respond toward Independent Director should be narrated.
 - Items listed in Article 14-3 of Securities and Exchange Act: Please refer to the page about Audit Committee. All proposals were resolved by all independent directors.
 - Other matters involving objections or expressed reservations by Independent Directors that were recorded or stated in writing that require a resolution by the Board of Directors: None.
- The implementation of Directors' avoidance of motions in conflict of interest:
 - 26-6 meeting of the board of directors (March 16, 2022)

Names of directors: Independent director Liu Wei-chi, independent director Lin Li-chen, independent director Chen Hsiang-chung, independent director Huang Hsieh-hsing

Contents of issue: Adjustment of compensations for independent directors

Reason for abstention and voting situation: Independent directors Liu Wei-chi, Lin Li-chen, Chen Hsiang-chung, and Huang Hsieh-hsing left the meeting ground to avoid participation in the discussion and voting for the issue.

Resolution: The proposal was passed without objection from other directors upon inquiry by the chairman.

Name of directors: chairman Sophia Chiu, director Huang Cheng-tsung

Contents of issue: budge adjustment for the reconstruction project for Songjiang Building

Reason for abstention and voting situation: Chairman Sophia Chia and director Huang Cheng-chung, both directors of Tungan Assets, left the meeting ground to avoid participation in the discussion and voting for the issue.

Resolution: The proposal was passed according to the result of trail calculation (20% engineering reserve fund) without objection from other directors upon inquiry by the acting chairman Liu Wei-chi.
 - 26-9 meeting of the board of directors (Aug. 8, 2022)

Name of director: independent director Chen Hsiang-chung

Contents of issue: participation in cash capital increase of Walsin Lihwa Corporation

Reason for abstention and voting situation: Independent director Chen Hsiang-chun left the meeting ground to avoid participation in the discussion and voting for the issue.

Resolution: The proposal "authorizing the chairman to designate proper member company of the group to attend the cash capital increase at NT\$30 per share at maximum of NT\$10 million" was approved, with support of seven directors, over half of those in attendance, and three abstaining.

(3) 26-13 meeting of the board of directors, Dec. 23, 2022

Contents of issue: Change of the execution method for the Songjiang Building reconstruction project to collaboration between Tungan Assets and Mingtai Fire & Marine Insurance, with the former being the constructor and the latter pure land provider without funding contribution.

Reason for abstention and voting situation: Chairman Sophia Chia and director Huang Cheng-chung, both directors of Tungan Assets, left the meeting ground to avoid participation in the discussion and voting for the issue.

Resolution: The proposal was passed without objection from other directors upon inquiry by acting chairman Liu Wei-chi.

3. Implementation of Board Evaluation

Frequency	Period	Scope	Method	Content
Once per year	2022.1.1~ 2022.12.31	Board of Directors	Internal self-evaluation of the board of directors "Self-evaluation Questionnaire for Board Performance Evaluation"	A total of 45 evaluation indicators are included in the five aspects of participation in the company's operations, improving the quality of board decision-making, composition and structure of the board of directors, selection and continuing education of directors, and internal control.
Once per year	2022.1.1~ 2022.12.31	Individual director	Director Member (Self) Self-assessment "Director Member Performance Evaluation Self-Assessment Questionnaire"	A total of 23 evaluation indicators are included in the six aspects of personal grasp of the company's goals and tasks, cognition of directors' responsibilities, degree of participation in company operations, internal relationship management and communication, directors' professional and continuing education, and internal control.
Once per year	2022.1.1~ 2022.12.31	Functional Committee ● Audit Committee ● Compensation Committee ● Corporate Governance and sustainability Committee ● Research & Development Innovation Committee	internal self-assessment "Functional Committee Performance Evaluation Self-Assessment Questionnaire"	Participation in the company's operations, awareness of the responsibilities of functional committees, improvement of decision-making quality of functional committees, composition and selection of members of functional committees, and internal control.
Evaluation performed every three years by an external professional independent body	2020.1.1~ 2020.12.31	Composition of the board of directors, guidance of the board of directors, authorization of the board of directors, supervision of the board of directors, communication of the board of directors, internal control and risk management, self-discipline of the board of directors, other such as board meetings, support systems, etc.	Commissioned the Chinese Corporate Governance Association to conduct "data review", "online self-assessment questionnaires", "on-site interviews" and other methods, and write an external evaluation analysis report	1. The board of directors should plan the inheritance and development of the board of directors, and regularly review the composition and division of labor of the existing board of directors, as well as whether the selection, nomination and appointment process of members is rigorous and thorough. 2. The board of directors should set and adjust the company's goals and response strategies, and effectively manage and ensure that the management department implements strategies to achieve goals. 3. Through the division of responsibilities and the authorization of the management department, the board of directors ensures that the company follows the established

				<p>policies, systems, goals and strategies. An effective and immediate return mechanism should be established as a reference for decision-making or management adjustments.</p> <p>4. The supervision of the board of directors should be implemented by setting up independent internal audit professionals, relying on external professional accountants, and other effective mechanisms to reasonably ensure corporate compliance and effective operation.</p> <p>5. The communication objects of the board of directors include the members of the board of directors, the management department, shareholders, and other stakeholders; it is necessary to pay attention to the topics of communication, the communication and feedback mechanism, and the culture of the board of directors.</p> <p>6. The board of directors should identify important risk issues, define risk tolerance, and establish a sound internal control system to ensure business results.</p> <p>7. The board of directors must regularly evaluate its own participation, investment and performance, and make sure to review and improve in order to respond to changes in the business environment.</p> <p>8. Others such as board meetings, support systems, etc., including the setting of corporate governance personnel, agenda planning, meeting preparation, information provision, meeting records and post-meeting follow-up management, etc.</p>
<p>4. Evaluation of the goals and implementation status of strengthening the functions of the board of directors in the current year and the most recent year.</p> <p>(1) Strengthen the functions of the board of directors</p> <ul style="list-style-type: none"> - In order to continuously improve directors' professional knowledge and legal literacy to assist the effective operation of the board of directors, the secretary's office conducts director training courses on 2022.8.12 and 2022.12.23. - Supervising the risk management mechanism: The scope of risk management, organizational structure and 2011 risk management operation situation have been disclosed on the official website and reported to the board of directors (2022.12.23). - The Board of Directors (2022.12.23) approved the revision of the "Internal Significant Information Processing and Insider Transaction Prevention Management Operation Procedures", specifying the applicable objects of this operation procedure, increasing the scope of insider transaction prevention management; adding the application certificate for confidential firewall operators Relevant provisions of Article 157-1 of the Communication Law; specify the retention period (5 years) of information disclosure-related materials. <p>(2) Strengthen investor communication</p> <p>Actively manage investor community exposure, take the initiative to visit securities companies and interview analysts of securities companies on energy-related topics, and participate in various investment forums. Since 2020, we have held quarterly self-incorporated briefings to regularly update the company's financial and business information and provide opportunities for the investing public to communicate directly with the management team. In order to implement the equal treatment of shareholders, the audio and video files are disclosed at the same time, so as to ensure that the investing public who cannot participate in the seminars will receive the same information.</p>				

3.3.2 Audit Committee

The Company set up “Audit Committee” on June 15, 2012 to replace the original supervisor system. The committee consists of independent directors (three seats), who select one among them as the convener and chairman of its meeting, and functions according to the company’s “organizational charter of audit committee,” with the scope of its auditing covering the company’s financial statement, the company’s auditing and accounting policy and procedure, the company’s internal-control system, major transactions in assets or derivatives, raising or issuance of securities, appointment and dismissal of, along with compensations for, certified public accountant(s), and appointment and dismissal of financial, accounting, and internal-auditing managers.

Key Focus in 2022:

1. Review financial reports

The company's board of directors submitted the 2021 annual financial statements (including the consolidated financial statements) which has been audited and certified by accountants Yu-Lung Wu and Chien-Hung Chou entrusted by the Board of Directors. Together with annual business report and earning distribution motion, they are reviewed and approved by the 5th meeting of the 4th Audit Committee (2022.3.14), were submitted to the 6th meeting of the 26th Board of Directors (2022.3.16) for resolution and were acknowledged by general shareholders meeting 2022 (2022.5.20).

2. Evaluate the effectiveness of the internal control system

The company judges whether the design and implementation of the internal control system in 2021 are effective based on the items for judging the effectiveness of the internal control system stipulated in the "Guidelines for the Establishment of Internal Control Systems for Public Issue Companies".

A total of 30 internal self-assessment units of the company and 25 subsidiaries have completed the internal control self-assessment work, and no major deficiencies have been found in the design and implementation of their internal control systems. After deliberation and approval by the 5th meeting of the 4th Audit Committee (2022.3.14), the 6th meeting of the 26th of the Board of Directors (2022.3.16) passed the resolution and issued the 2021-year "Internal Control System Statement"

A total of 6 meetings of the 4th Audit Committee were held in 2022, and the Audit Committee attendance was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)	Remarks
Convener & Chairman	Wei-Chi Liu	6	0	100%	Should attend 6 times
Member	Hsieh-Hsing Huang	6	0	100 %	Should attend 6 times
Member	Li-Chen Lin	6	0	100%	Should attend 6 times
Member	Shiang-Chung Chen	6	0	100%	Should attend 6 times

Other mentionable items:

1. If there is the following situation referred to the operation of Audit Committee, the date of Audit Committee meeting, period, contents of the case, opinion of all members, and company's respond toward Audit Committee members should be narrated

- Items specified in article 14-5 of Securities and Exchange Act: Please see the following charts
- Other items resolved by the audit committee member with support of two thirds of directors but without approval of the auditing committee.: None

Board of directors	Issue contents and subsequent handling	Items specified in article 14-5, Securities and Exchange Act	Approval by over two thirds of directors, without passage by the auditing committee
26-6 meeting of the board of directors (2022.3.16)	Completion of self evaluation of the company's 2021 internal control system	v	
	Review of the company's 2021 business report, financial reports (consolidated and individual)	v	
	Review of the proposal of company's 2021 earnings distribution	v	
	Discussion on renewal of the company's credit lines provided by financial institutions scheduled for expiration in 2022	v	
	Budget adjustment for reconstruction project for Songjiang Building	v	
	Proposed revision of the company's "handling procedure for acquisition or disposal of the company's assets"	v	
	Proposed revision of the company's "measures governing circular operation of computer information"	v	
	Proposed revision of the company's "risk management policy and procedure"		
26-7 meeting of the board of directors (2022.5.13)	Resolution of auditing committee (March 14, 2022): issue on the company's 2022 earnings distribution After discussion, the committee proposed cash dividend payout of NT\$1.35 per share for submission to the board of directors for resolution. Other issues were approved with agreement of all the committee members in attendance. The company's handling of auditing committee's opinion: The board of directors resolved to set cash dividend payout at NT\$1.35 per share, after inquiry by chairman of the opinions of all the directors in attendance. Other proposals were approved by all the directors in attendance.		
	The company's 2022 Q1 consolidated financial report	v	
	Resolution of auditing committee (May 10, 2022): The financial report was approved by the committee without objection from any members in attendance and was then submitted to the board of directors for resolution. The company's handling of auditing committee's opinion: Approval by the directors in attendance		
26-9 meeting of the board of directors (2022.8.8)	The company's consolidated report for the first half of 2022	v	
	Plan to take part in investment in Siemens' North American NEMA business "Lupin item)	v	
	Plan to take part in cash capital increase of Walsin Lihwa Corporation	v	
	Auditing committee's resolution (Aug. 8, 2022): The proposal was approved by all the members in attendance. The company's handling of auditing committee's opinion: With abstention of the case by independent director Chen Hsiang-chung, who is also Walsin Lihwa's independent director, the proposal "authorizing the chairman to designate proper member company of the group to attend the cash capital increase at NT\$30 per share at maximum of NT\$10 million" was approved, with support of seven directors, over half of those in attendance, and three abstaining. Other proposals were approved by all the directors in attendance.		

Board of directors	Issue contents and subsequent handling	Items specified in article 14-5, Securities and Exchange Act	Approval by over two thirds of directors, without passage by the auditing committee
26-11 meeting of the board of directors (2022.9.8)	Authorization for bids for public PV power plant projects at maximum capacity of 50 MW within half a year after approval by the board of directors	√	
	Resolution of auditing committee (Sept. 8, 2022): Approval by all the members in attendance		
	The company's handling of auditing committee's opinion: Approval by all the directors in attendance		
26-12 meeting of the board of directors (2022.11.11)	The company's 2022 Q3 consolidated financial report	√	
	Resolution of auditing committee (Nov. 7, 2022): Approval by all the members in attendance		
	The company's handling of auditing committee's opinion: Approval by all the directors in attendance		
26-13 meeting of the board of directors (2022.12.23)	The company's 2023 auditing plan	√	
	Change of the execution method for the Songjiang Building reconstruction project to collaboration with Mingtai Fire& Marine Insurance	√	
	Provision of financing endorsement and guarantee for affiliates in 2023	√	
	Loaning for affiliates	√	
	Discussion on renewal of the company's credit lines provided by financial institutions scheduled for expiration in 2023	√	
	Plan for formulation of the company's management and operating procedure for handling material information and preventing insider trading"	√	
	Evaluation of the independence and competence of the company's and appointment CPA	√	
	Proposed appointment of the company's CPA and determination of compensations	√	
	Resolution of auditing committee (Dec. 19, 2022): Approval by all the members in attendance		
	The company's handling of auditing committee's opinion: Approval by all the directors in attendance		

II. The avoidance of Independent Director due to interest conflict:

1. 4-7 meeting of the auditing committee (Aug. 8, 2022)

Names of independent director: Chen Hsiang-chung

Contents of issue: Plan to take part in cash capital increase of Walshin Lihwa Corporation

Reason for abstention and voting situation: Independent director Chen Hsiang-chung, who is also independent director of Walsin Lihwa Corporation, left the meeting ground to avoid participation in the discussion and voting for the issue.

Resolution: The proposal was approved by the board of directors, as there was no objection by other directors in attendance upon inquiry by the chairman.

III. The communication between independent director, internal audit chief and CPA

(I) Communications method of independent directors with internal auditing chief and certified public accountants: The Company has put in place direct contact channel for independent directors to communicate with internal auditing chief and certified public accountants. In line with the regulation of the regulator, the company audits its finance and business status regularly and communicates directly with management and corporate governance unit.

1. The company's internal auditing chief delivers internal auditing report at the quarterly meeting of the audit committee, covering status of the execution of auditing operation and improvement and tracking, as well as effect, of the audited defects. In addition to delivery of written auditing report to independent directors monthly, internal auditing chief also makes specific business reports on the suggestion of any independent director.

2. After completing the auditing of the semiannual and annual financial statements, the company's

contracted certified public accountant reports the result of the auditing or checking of the financial statements of the company and its subsidiaries, both domestic and overseas ones, at the auditing committee, as well as other legally required communications items.

(II) Independent Director and internal audit chief have good communication, and independent directors have no suggestions. Communication issues in 2022 are showed as follows.

Auditing committee	Communications items	Communications result
4-5 meeting (2022.3.14)	Report on internal auditing for Q4 2021	Acknowledgement without other suggestions
	Completion of self internal-control evaluation for 2021 (statement on internal control system)	Passage with no objection from members present upon inquiry by the chairman followed by submission to the board of director for resolution.
4-6 meeting (2022.5.10)	Report on internal auditing for Q1, 2022	Acknowledgement without other suggestions
4-7 meeting (2022.8.8)	Report on internal auditing for Q2, 2022	Acknowledgement without other suggestions
4-10 meeting (2022.12.19)	Report on internal auditing for Q3, 2022 (independent directors communicated with in-house auditing chief individually)	Acknowledgement without other suggestions
	2023 auditing plan (independent directors communicated with in-house auditing chief, without presence of common directors and managers)	Passage with no objection from members present upon inquiry by the chairman followed by submission to the board of director for resolution.

(III) Independent Director and CPA have good communication, and independent directors have no suggestions. Summary of communication issues in 2022 are showed as follows.

Auditing committee	Communications items	Communications results
4-5 meeting (2022.3.14)	2021 financial report and consolidated financial report	Passage with no objection from members present upon inquiry by the chairman followed by submission to the board of director for resolution.
	Effect of COVID-19 pandemic on auditing work, auditing scope, auditing results, influence of recent changes in laws/regulations, and other communications items	Acknowledgement without other suggestions
4-7 meeting (2022.8.8)	Consolidated financial report for Q2, 2022	Passage with no objection from members present upon inquiry by the chairman followed by submission to the board of director for resolution.
	Effect of COVID-19 pandemic on financial disclosure, review scope, review findings, and other communications items	Acknowledgement without other suggestions
4-9 meeting (2022.11.7)	Consolidated financial report for Q3, 2022 (independent directors communicated with certified public accountants, without presence of common directors and managers)	Passage with no objection from members present upon inquiry by the chairman followed by submission to the board of director for resolution.
4-10 meeting (2022.12.19)	Audit Quality Indicators (AQI), important revisions to the Code of Ethics for International Professional Accountants (IESBA Code) and other communication matters	Acknowledgement Suggestion from independent director Hsieh-Hsing Huang: Ask accountants to assist TECO Group in conducting health checks for profit-making controlled foreign companies (CFCs)

3.3.3 Corporate Governance Execution Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summarized Explanation	
I. Whether the company has formulated and publicized “Corporate Governance Best Practice Principles”, according to “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies”?	V		The Corporate Government Best Practice Principles was approved at the 13th meeting of the 21st Board of Directors (March 25, 2008) in accordance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. These Principles have been revised nine times from 2013 to 2022 in response to corporate development trend and the latest development of social and international issues concerned. These Principles have been announced on TWSE MOPS and the Company's website.	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”
II. The company's shareholding structure and shareholders' equity (I) Whether the company has formulated and implemented internal procedure for handling suggestions, questions, disputes, and litigation of shareholders. (II) Whether the company has got hold of the list of major shareholders and their ultimate controllers. (III) Whether the company has established and implemented risk-management and firewall mechanism pertaining to affiliates. (IV) Whether the company has formulated internal norms forbidding the company's insiders to take advantage of unpublicized information in trading in securities.	V		(I) The company has installed stock-affairs unit, which handles shareholders' suggestions or disputes. (II) The company has got hold of the list of major shareholders and their ultimate controllers, which is updated regularly. (III) The company has clear differentiation of rights and responsibilities for personnel, assets and financial management with affiliated companies, regularly checks the accounting and internal control systems of affiliated companies, and establish appropriate risk control and firewall mechanisms; in accordance with the "Administrative Rights and Responsibilities and Related Instructions for Relational Enterprises" and the internal control system "Supervision and Management of Subsidiaries" and "Management of Related Party Transactions". (IV) The company has formulated internal norms “Preventing Insider Trading Rules and Major Internal Information Processing Procedures” and “Rules of Ethical Conduct to Directors and Managerial Officers” forbidding insiders to take advantage of unpublicized information in trading in securities.	(I) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”. (II) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”. (III) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”. (IV) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.
III. Composition and duties of the board of directors (I) Whether the Board of Directors formulate and implement diversified policies and specific management objectives.	V		(I) In line with the policy of membership diversification for the board of directors, as stipulated in the "Corporate Governance Best Practice Principles." Include but not restrict the following two standards: (1) Basic condition and value: gender, age, nationality, race and culture, etc.; (2) Professional knowledge and skill:	(I) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
(II) Whether the company has installed on its own various functional committees other than the compensations committee and the audit committee?			<p>professional background (such as law, accounting, industry, finance, marketing and technology), professional skill and industrial experience.</p> <p>Management targets: The members of the board of directors include at least one female director; the independent director seats exceed two-third of the board members; the director who concurrently serves as the manager of the company does not exceed one third of the number of directors; no more than two of the directors have a relationship within the scope of spouse or second-degree kinship.</p> <p>Execution: The Company select 11 directors (including 4 independent directors) at 2021 Shareholders' Meetings (July 23, 2021). The members of the board of directors boast mutually complemented industrial experience, as well as expertise in finance, economics, accounting and law. The board of directors includes 2 female directors, and the proportion of female directors has increased from 6.67% to 18.18%; the proportion of independent directors increased from 20% to 36.36%; three independent directors have a tenure of less than 3 years, and one independent director has a tenure of 3 ~ 6 years). The goal of diversified board members has been met. Members of the board actively attended the board meeting, and the actual attendance rate of the board of directors in 2022 was 99%. These board members effectively supervised and understood the implementation of the business plan.</p> <p>(II) In order to establish a good governance system, rationalize and strengthen management functions, fulfill corporate social responsibilities, and attain sustainable development, the 25th board of directors resolved in its third meeting (on Aug. 13, 2018) to set up "corporate governance and sustainability committee." (See note 1: Corporate Governance and Sustainability Committee)</p>	(II) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.
(III) Whether the company has formulated measures and methods for the evaluation of the performance of the board of directors and carryout regular performance evaluation every year, as well as submit the result to the board for the reference to the remuneration and re-election nomination of individual director.			<p>(III) In order to materialize corporate governance and clearly delineate performance objective, for enhancing the function and operating efficiency of the board of directors, the board of directors resolved to formulate the company's "Rules Governing the Board Performance Evaluation" at the 5th meeting of the 24th board of directors on Nov 13, 2015, in line with the stipulation of article 37 of "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies". Since 2015, at the end of every</p>	(III) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “.

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>year, the secretariat of the board of directors would collect information on the activities of the board of directors and issue questionnaires for self evaluation before recording the evaluation results and reporting them to the board of directors for review and improvement. External professional independent agent or external expert team is hired to evaluate the performance of BOD and issue external evaluation report every three years. On the 20st meeting of 25th board (11.13.2020) passed to amend the company's "Rules Governing the Board Performance Evaluation", the main revision points are: New evaluation of individual directors' self-evaluation Method; external agency to perform board performance evaluation related standards; performance evaluation indicators regularly reviewed by the compensation committee and acted as Basis of salary remuneration</p> <p>The board evaluation team from Taiwan Corporation Governance Association was invited to evaluate the performance of board of directors in 2020 (convener: Chun-Zheng Lin executive member, members include: Cheng-l (executive member), Yi-Fang Tsai (team leader of evaluation), Yi-Jing Song (evaluator)) conducted evaluation on Dec 29, 2020, through document review, online self-evaluation questionnaire, field visit and other methods. The association is an independent professional corporate governance counseling and evaluation agency, referring to the latest guiding principles of corporate governance of the Organization for Development (OECD) and considering Taiwan's legal environment and corporate characteristics, it launched in corporate governance system evaluation and appraisal services since 2005, and has served more than 300 times. The scope of review includes: the composition of the board of directors, guidance of the board of directors, authorization of the board of directors, supervision of the board of directors, communication of the board of directors, internal control and risk management, the board's self-discipline and others, such as board meeting, supporting system and so on.</p> <p>The evaluation results are as follows: (1). The managing director meeting is convened once every 2 months for consultation, communication and discussion in the early stage of the future business plans and major agendas. After building a consensus,</p>	

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>then submit the proposals to the board of directors’ meeting to make decisions and it improves the efficiency of meetings.</p> <p>(2). Audit committee effectively performs the function of guidance and supervision. The Accountants who certified the financial reports attend the board meeting and also attend audit committee twice a year to communicate on the company’s finance, accounting and internal control, etc.</p> <p>(3). The compensation committee reviews the current salary policy by considering the change of business environment, suggests adjustment on the current salary structure to optimize the overall salary system, pays attention to talent training and succession system to give full play to the function of compensation committee.</p> <p>(4). The Research and Innovation Committee invites external professional scholars to serve as committee members to provide international information, combined with Teco Group Research Institute, launches market research based on strategic directions and forward-looking technology, defines the product directions via systematic thinking to plan the group’s short, medium and long-term product development blueprint to enhance the competitiveness.</p> <p>Recommendations for improvement:</p> <p>(1). Revised internal norms of " Rules Governing the Board Performance Evaluation " in 2020": it is recommended to add the scoring standard to the self-assessment questionnaire indicators in the attached table for directors to follow.</p> <p>(2). " Orientation for New Director ": Report to new directors on its organizational structure and business responsibility, development plan for the next three years by top director of each business department. It is proposed to establish the directors’ manual and formulate the aforementioned activities as internal norms to further strengthen the company’s related systems of corporate governance.</p> <p>The above 2020 annual board performance evaluation report has been submitted to the 24th meeting of the 25th term board (2021.3.23)</p> <p>Improvement Plan:</p>	

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
(IV) Whether the company has regularly evaluated the independence of certified public accountants?			<p>1. Self-evaluation Questionnaire of Board Member Assessment and Self-evaluation Questionnaire of Functional Committee in 2021 has added rating bases.</p> <p>2. Established the directors' manual in 2021 and formulate "Orientation for New Director" as internal norms</p> <p>Each year's "Evaluation result of Board Performance Evaluation" will be offered to "Compensation Committee" and "Corporate Governance and Sustainability Committee" for reference for remuneration and re-election nomination of individual director.</p> <p>In addition, the secretariat of the board of directors launched 2022 Directors' self-evaluation project via "Self-evaluation Questionnaire of Board Member Assessment". The self-evaluation items for directors include: a total of 23 evaluation indicators on 6 dimensions: personal understanding on the company's goal and mission, acknowledgement of duty of directors, participation in the company's operation, internal relationship and communication, expertise and continuous training of directors and internal control. Meanwhile, the secretariat of the board of directors also launched "Self-evaluation Questionnaire of Functional Committee Assessment". Evaluation items for overall performance of functional committees: Participation in the company's operation, acknowledgement of duty of functional committees, quality improvement of decision making of functional committees, composition and selection of members of functional committees, internal control.</p> <p>The above 2022 annual board performance evaluation report has been submitted to the 14th meeting of the 26th term board (February 17, 2023)</p> <p>(IV) The 23rd board of directors also approved at its 19th meeting Dec. 22, 2014) the company's "measures for the selection and evaluation of certified public accounts," calling for regular review of the independence and adequacy of certified public accountants. The company's financial and accounting units evaluates first, then submits to Audit committee for review and Board meeting for approval. CPAs Yu-Lung Wu and Chien-Hung Chou of PwC Taiwan, according to the CPA evaluation scale(Note 2), were ascertained their conformance to the company's evaluation standards, in terms of independence and suitability, proving their qualification to</p>	(IV) Compliance with "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies".

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			become the company's contracted CPA, finding which was approved by the 4th meeting of the 4 th term of audit committee (2022.12.19) and the 13th meeting of the 26th term of the board of directors (2022.12.23)	
IV. Does the Company have an adequate number of qualified corporate governance personnel and appoint a chief corporate governance officer to handle matters pertaining to corporate governance (including but not limited to provide information required for business execution by Directors and Supervisors, assist Directors and Supervisors with regulatory compliance, handle matters pertaining to board meetings and shareholders' meetings according to laws and regulations, produce minutes of Board meetings and shareholders meetings, etc.)?	V		<p>The Company established the "Corporate Governance Center" in July 2015 in accordance with Article 3-1 of the "Corporate Governance Best Practice Principles". Currently, it has 9 dedicated staff to handle corporate governance related matters. According to the "Points of Matters to Be Followed by the Board of Directors of Listed Companies", at the 25-7th board meeting (5.13.2019), it was decided to appoint the Director of the "Corporate Governance Center", Shih-Hsiung Chien, as the company's full-time head of corporate governance. He has more than three years of relevant management experience of public listed companies and is registered as an appointed manager in accordance with the company's articles of incorporation.</p> <p>The main duties are:</p> <ol style="list-style-type: none"> (1) Handle matters related to the meetings of the board of directors and shareholders meeting according to law. (2) Prepare the minutes of the board of directors and shareholder meetings. (3) Assist directors and supervisors in their appointment and continuing education. (4) Provide directors and supervisors with the information needed to execute their business. (5) Assist directors and supervisors to comply with laws and regulations. (6) Report to the board of directors the results of its review of whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their tenure. (7) Handle matters related to the change of directors. (8) Other matters stipulated in the company's articles of association or contract. <p>According to article 36-3 of " Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets" , Director Shih-Hsiung Chien has completed 20 hours in 2022:</p> <ul style="list-style-type: none"> ● On May 12, 2022, Twin-Summit Forum (2hrs) ● On June 22, 2022, Corporate Governance and Business Operation Seminar (3 hours) ● On June 28, 2022, An Era of Upheaval, Exploring the Core Competence of the Next Generation(3 hours) ● On July 20, 2022, Board and Functional Committee Performance Evaluation Seminar forum (3 hours) ● On Aug 15, 2022, Outlook for the overall 	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>global economic situation in the second half of 2022 (3 hours)</p> <ul style="list-style-type: none"> ● On Oct 25, 2022, The latest international ESG policy and trend analysis (3 hours) ● On Dec 23, 2022, Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence (3 hours) 	
V. Whether the company has established communications channel for stakeholders (include but not restrict shareholders, employees, customers and suppliers) and dedicated sector for stakeholders on its website, in addition to responding properly to key issues on corporate social responsibility concerned by stakeholders.	V		<p>The company attaches great importance to stakeholders' attention to issues and communication channels. It has smooth communication channels with stakeholders in various fields such as shareholders, employees, customers, suppliers, local communities, NGOs, and government units. Regular / irregularly publish information or communicate directly with stakeholders, respect and maintain their legitimate rights and interests, and implement corporate governance integrity and transparency (See Note 3: Issues which stakeholders focus and communication channel).</p> <p>Set up a corporate social responsibility / TECO sustainable commitment / stakeholder communication area on the company's website, and a dedicated person will respond to important corporate social responsibility issues that stakeholders are concerned about.</p>	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “
VI. Whether the company has entrusted professional stock-affairs agent to handle shareholder' meeting?	V		<p>The company has entrusted a professional stock agency to handle the affairs of the shareholders' meeting. Stock agency: Taishin Securities Co., Ltd stock agency (Tel: 886-2-2504-8125, Address: B1, No. 96, Sec. 1, Jianguo N. Rd, Zhongshan Dist., Taipei City).</p>	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “
<p>VII. Information disclosure</p> <p>(I) Whether the company has installed website for publication of information on finance, business, and corporate governance?</p> <p>(II) Whether the company has publicized information via other methods (such as installation of English-language website, designations of persons in charge of collection and publication of company information, materialization of the system of spokesman, and posting of the process of investors' conference on the company website)?</p> <p>(III) Does the company release the annual financial report within two months after the end of the fiscal year, and announce and</p>	V		<p>(I) The company institutes website for disclosing the status of finance and corporate governance. The address of the corporate website: www.teco.com.tw.</p> <p>(II) The corporate structure English website (https://www.teco.com.tw/en). According to the company's measures for news release, collection and disclosure of company information is in the charge of designated staffer. After approval by the president, various units can notify the public relations unit for news release which will then be transferred to the spokesman for execution. According to the company's measures for information publication, spokesman should disclose company information to all investors and media at the same time in a fair manner.</p> <p>(III) The company publishes and declares annual financial reports (within three months), the first, second, and third quarter financial reports (within 45 days) and monthly operating conditions (before 10th of each month) within the time limit specified in Article 36 of the Securities Exchange Law.</p>	<p>(I) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “.</p> <p>(II) Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “.</p> <p>(III) Compliance with “Corporate Governance Best-Practice</p>

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
declare the first, second, and third quarter financial reports and the monthly operating situation within the prescribed time limit?			Because there are hundreds of consolidated entities, temporarily not been able to announce and declare the annual financial report within two months after the end of the fiscal year. 2022 Annual financial statements have been announced and declared on 2023.3.16.	Principles for TWSE/GTSM Listed Companies“
VIII. Whether the company has other information conducive to understanding the status of corporate governance (including, but not limited to, staffers’ interests, concern for staffers, investor relationship, supplier relationship, stakeholders’ rights, advanced study of directors and supervisors, execution of risk-management policy and criteria for risk assessment, execution of customer policy, and taking out of liabilities insurance for directors, and supervisors?	V		<ol style="list-style-type: none"> 1. In order to safeguard employees' benefits, labor union has been established, on top of regular labor-management meeting, as a bridge of communications with employees. At quarter meeting at headquarters and weekly meeting at various plant premises, senior managers would explain to employees the company's current business performance and challenges and open commend those with extraordinary performance. 2. The company set up committee of employees' welfare as early as 1964, in charge of pushing various welfare measures and planning series of measures caring for employees' families, so as help employees build a harmonious familial relationship and improve their health, so as to enhance their performance. 3. The company has set up a unit dedicated to periodic disclosure the company's major business information, boosting information transparency, as well as a feedback mechanism for accepting suggestions of investors on the company's development, in addition to active participation in investor conferences, so that investors can have firm grip on the company current business status and development planning. 4. The company's representatives visit each supplier at least twice a year. The company has been pushing the establishment of e-procurement platform, as an effective communications channel for suppliers worldwide. The business group has also formulated a uniform list of qualified sales agents. 5. To uphold the rights of stakeholders, they can express their suggestions and complaints via telephone, fax, or e-mail, which will be handled by designated staffers, and employees are also encouraged to report violations of laws or regulations via dedicated mailbox. 6. The company has dedicated to the establishment of a complete risk-management system, actively considering all the risks which may occur in the company's operation and assuring compliance by the company with related laws and regulations. Meanwhile, assure continuing effectiveness of the company's internal control system via auditing system. Various auditing tasks by the auditing unit 	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “

Evaluation items	Implementation Status			Discrepancy with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>ascertain the effectiveness of the company's internal control system, as shown in the low risks of various environmental indicators in 2022.</p> <p>7. The company has dedicated to the provision of quality products with high price-performance ratio to customers. In order to meet customer demands for products and services, the company has also endeavored to better understand their expectation for the company and its products, via multiple channels, including dedicated customer service phone lines, seminars, field visits, after-sales tracking, telephone calls, corporate website, and media, so as to make products and services better fit customer's needs.</p> <p>8. The company has taken out liabilities insurance for directors covering possible liabilities related to their responsibilities during their tenure to lower the risks of major loss for the company and shareholders which could be caused by the mistake or negligence of directors since 1999. Report on the insurance, including insurance amount (US\$10 million), coverage (all the directors), premium rate, and insurance period (2022 and 2023) was delivered at the 6nd meeting of the 26th board of directors (3.16.2022) and 14th meeting of the 26th board of directors.(2.17.2023)</p>	
IX. Please illustrate the improvement based upon the latest Corporate Governance Evaluation Result released by Taiwan Stock Exchange and measures for those that haven't improved.	V		<p>1. The company was granted top 5% evaluation in corporate-governance evaluation for eight years running since fiscal 2015.</p> <p><u>The situation has been improved:</u></p> <ul style="list-style-type: none"> There were no extraordinary motions at the 2022 Annual General Meeting of Shareholders, and there were no changes to the agenda within 7 days before the meeting. More than half of the directors and the convener of the audit committee attend the regular shareholders' meetings on their own, and disclose the list of seats in the minutes. All the directors (including the independent directors) of the company completed the advanced training according to the number of hours for the directors and supervisors of listed OTC companies to carry out the training and implementation of key regulations in 2022. <p><u>Priorities and measures for strengthening:</u></p> <ul style="list-style-type: none"> The Company will continuously diversify the board and improve the proportion of female directors and independent directors. 	Compliance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies “

Note 1: Implement of corporate governance and sustainability committee

In order to establish a good governance system, rationalize and strengthen management function, fulfill corporate social responsibilities, and attain sustainable development, the company's 25th board of directors resolved in its third meeting (on Aug. 13, 2018) to set up "corporate governance and sustainability committee." The committee consists of more than three directors, over half of them independent directors, with convener and chairman of committee meetings being served by an independent director to be elected by committee members. According to the company's "organization regulations for corporate governance and sustainability committee," the committee convenes at least twice a year and is in charge of reviewing the soundness of the company's corporate governance organization and system, the nomination of the candidates for directors and independent directors, supervision of the fulfillment of corporate social responsibilities and attainment of sustainable development, and strengthening of the operation and management of the units under the direct jurisdiction of the board of directors, among others.

Status of attendance for the two meetings of the committee in 2022:

Title	Name	Actual attendance Times	Attendance rate (%)	Note
Convener and chairman	Li-Chen Lin	2	100%	Law, Management and ESG professional
Member	Hsieh-Hsing Huang	2	100%	Accounting and Electrical vehicle professional
Member	Shiang-Chung Chen	2	100%	Management and New energy professional
Member	Chwen-Jy Chiu	2	100%	Finance and Management
Member	Show-Shoun Chou	2	100%	Management and Government strategy

Other mentionable items:

1. In case the board of directors turns down suggestions of corporate governance and sustainability committee, specify the date and number of the meeting, contents of the case, resolutions of the board of directors, and status of the handling of the committee's opinions by the company: None.
2. Opposition or reservation of members on record or in written statement against resolutions of corporate governance and sustainability committee: None.
3. The main items reviewed are summarized below:

Corporate governance and sustainability committee	Items	Results
2-3 meeting (2022.1.17)	1. 2022 working plans of the company's "ESG promotion office," "corporate governance center," "legal compliance and affairs office," "information-security committee"	1. Major work items of the "ESG promotion center": targets of 50% emission reduction by 2030 and materialization of carbon neutrality by 2050. 2022 action plan- environmental aspect: formation of energy conservation/green power program; social aspect: employee care, ESG internalization, resource pooling for engagement in social care; corporate government aspect: intensified collaboration and communications with stakeholders 2. Major work items of the "corporate governance center": intensified communications with investors, strengthening of the functions of the board of directors, enhancement of information transparency, and retention of top 5% in corporate governance evaluation. 3. Major work items of the "legal compliance and affairs office: compliance with securities-related laws/regulations; legal compliance promotion/education and training (intellectual property, corporate securities trading, fair trade, ethical management, individual information) 4. Major work items of the "information security committee":

Corporate governance and sustainability committee	Items	Results
		materialization of measures governing information security, deployment of information management system, enhancement of employees' information-security awareness, execution of information-security health check. The aforementioned 2022 working plans were approved with no objection from members in attendance upon inquiry by the chairman.
	2. Revision of the company's "corporate governance best practice principles"	The revision was approved with no objection from members in attendance upon inquiry by the chairman followed by submission to the board of directors for resolution.
	3. Revision of the company's "corporate social responsibility best practice principles"	The revision was approved with no objection from members in attendance upon inquiry by the chairman followed by submission to the board of directors for resolution.
2-4 meeting (2022.8.8)	1. Reports on execution status of the working plans of "ESG promotion office," "corporate governance center," "legal compliance and affairs office," and "information security committee" for the first half of 2022.	Acknowledgement
	2. Appointment of the company's information-security chief officer	The proposal was passed, according to which president Thomas Fann serve as the chief information security officer with a one-year term, in charge of overseeing the establishment of information-security systems by various units and perfecting information-security education and training, plus presentation of annual working plan in the next meeting of the corporate governance and sustainability committee. Whether to hire an information specialist to serve as the chief information security officer will be considered in the future.

Note 2: Evaluation for CPA

Chapter I. Requirement of Independence			
Evaluation items		Evaluation Result	Whether compliance Independence
01	Do certified public accountants, their spouses, or minor children have relationship of investment or financial-interest sharing with the company?	No	V
02	Whether certified public accountants, their spouses, or minor children have borrowing or loaning relationship with the company? It doesn't cover cases involving financial institutions as clients for normal dealings.	No	V
03	Whether certified public accounts or members of auditing service panel serve as the company's directors, managing staffers, or other positions with significant influence on the audited cases at present or recent two years?	No	V
04	Whether certified public accountants or members of auditing service panel undertake promotion or brokerage of stocks or other securities floated by the company?	No	V
05	Whether certified public accountants or members of auditing service panel represent the company in defending cases involving the company and third parties or other disputes?	No	V
06	Whether certified public accounts or members of auditing service panel are spouses, direct blood relatives, direct relatives by marriage, or relatives within second-degree kinship of the company's directors, managerial staffers, or employees with significant influence on audited cases?	No	V

07	Whether there are certified public accountants relieving joint practice within one year who now serve as the company's directors, managerial staffers, or other positions with significant influence on audited cases?	No	V
08	Whether certified public accountants or members of auditing service panel receive major gifts or preferential treatments from the company's directors, managerial staffers, or major shareholders?	No	V
09	Whether certified public accountants are hired by clients or persons under investigation for regular jobs, reception of fixed pays, or service of directors or supervisors?	No	V
Chapter II. Operation of Independence			
Evaluation items		Evaluation Result	Whether compliance Independence
01	Whether certified public accounts have evaded and failed to undertake the case when the case affects their impartiality and independence because there is a direct or significant indirect interest in the matters assigned?	N/A Appointed accountants are the accountants who certified/audited the company's financial statement	
02	Whether certified public accounts can maintain independence in substance and form for audition, perusal, recheck, or special inspection of financial statements before offering opinions?	Yes	V
03	Whether members of auditing service panel, other certified public accountants with joint practice or shareholders of legal firms, legal firms, affiliates of legal firms, or allied legal firms can keep independence with the company?	Yes	V
04	Whether certified public accountants carry out professional service in upright and rigorous manner?	Yes	V
05	Whether certified public accountants can keep fair and objective stance, avoiding influence of prejudice, conflicting interest, or relationship of interest on professional judgment?	Yes	V
C. Competence review			
Evaluation item		Explanation of evaluation contents	Evaluation result
01	Whether or not the certified public accountant was punished by the CPA Discipline Committee on record in recent two years? Whether or not the accounting firm was involved in major litigation in recent two years?	According to inquiry result for CPA disciplinary information, there is no disciplinary record for both appointed CPAs Wu Yu-lung and Chou Chien-hung. PwC has a policy conducting quality control review on its franchise accounting firms according to its auditing standards and ISA (international standard of auditing). CPAs Wu Yu-lung and Chou Chien-hung both have no defect on record in previous quality control reviews. The quality of their auditing works meets related professional standards in evaluation.	Good
02	Whether or not the accounting firm has sufficient scale, resources, and area coverage for offering corporate auditing service?	The accounting firm is the Taiwanese franchisee of PwC, the world's largest accounting firm, boasting 743 branches and franchisees in 158 countries, with 250,000 professionals in total. PwC is the leading accounting-service provider in many major countries and areas, including the U.K., China, Germany, Australia, Korea, the ASEAN, and the Middle East, with the largest market share in the Asia-Pacific region. Of Global Fortune 500, 429 companies (86%) are PwC customers, with the number of its customers worldwide topping 100,000. PwC's local partners worldwide can handle the group's local affairs.	Good
03	Whether or not the accounting firm has definite quality control procedure to assure the quality of financial report?	The appointed accounting firm has formulated definite quality control procedure, to reasonably assure the effective execution of quality control, covering the "accounting firm quality control" specified in Statement of Auditing Standards No. 46,	Good

		plus review of financial report quality for listed companies by in-house ARM (assurance risk management) and ACS (accounting consultant service) units.	
04	Whether or not the accounting firm notify the board of directors timely any obvious problems and development in risk management, corporate governance, finance/accounting, and other risk management-related affairs?	The appointed accounting firm would communicate with the company's management and auditing committee on its auditing findings and take part in discussion on key issues beforehand in past years.	Good

Note 3: Issues which stakeholders focus and communication channel

Stake holders	Issue	Communication channel/response method/frequency	Communication efficiency/achievement
Shareholder	Business development and operation Financial transparency Risk management Corporate governance Environmental protection	<ul style="list-style-type: none"> ● Market Observation Post System at Taiwan Stock Exchange ● Shareholder meeting---at least once a year ● On-line earnings call---4 times a year. ● Investment forums in Taiwan and abroad ● Visits by institutional investors ● Investor Relation/stock mailboxes dedicated to investors ---immediate replies by responsible persons ● Contact window: (IR) Director Chien ir@teco.com.tw 	<ul style="list-style-type: none"> ● Selected in "Dow Jones Sustainability Index", "Taiwan Sustainability Index". ● 2022 corporate governance evaluation ranked top 5% for the 8th consecutive year. ● 35 major information releases and announcements in Chinese and English respectively. ● Amends the articles of association at 2022 shareholders' meeting (May 20, 2022). ● 4 on-line earning's call were held, uploaded Chinese/English audio and video links. Announced Chinese/English Shareholder letter on website. ● Invited to attend 9 investment forums both at home and abroad. ● Received 105 visits of investors (excluding investment forums and broker analysts) (including 13 visits of foreign investors), and paid 16 trips to brokers.
Employee	Business development and operation Labor Relations Employees' rights and interests Training and career development Occupational environment Expression of employees' opinions and communication	<ul style="list-style-type: none"> ● Labor-management conferences: 1 per quarter ● Trade Union workshop: 1 per six months ● Food meeting: 1 per quarter ● Employee quarterly meeting 1 per quarter ● Occupational Safety and Health Committee: 1 per quarter ● Employee satisfaction survey: 1 per year ● E-board: Irregular Notice ● Unlawful infringement/Complaint: HRP@teco.com.tw ● Contact window: (HR) Manager Lin cplin@teco.com.tw 	<ul style="list-style-type: none"> ● Labor-management conferences: 13 meetings at four plants in total in 2022 ● Trade Union workshop: A symposium is held once per six months for company chairman, president, manager of every plant, company's human resource executives as well as directors and supervisors of the company's labor union. ● Food meeting: 12 meetings at four plants in total in 2022 ● Employee quarterly meeting: 4 meetings in 2022 in total, provided equal opportunities to employees from all plants through communication software tools. ● Employee satisfaction survey: Knew the opinions of employees and executives through the survey. ● Illegal infringement/complaint: 4 cases in total (2 of which were pending appeals) ● E-board: Irregularly announce various employee welfare matters (health examination, group insurance, etc.), welfare committee information, important operation information of the Company, education and training course information, annual performance

Stake holders	Issue	Communication channel/response method/frequency	Communication efficiency/achievement
			management operation, etc.
Client	Labeling for products and services Customers' health and safety Product quality Marketing communication Survey of customers' satisfaction Green products	<ul style="list-style-type: none"> ● Questionnaire survey of satisfaction—1~4 times/year ● Dedicated telephone lines for response to customers if needed ● 1-4 symposiums a year for sales agents and irregular calls on sales agent ● Tracking of after-sale services---by every service and telephone talks after ● company's website and media---updated in needed ● Contact window: (Spokesperson) Chien Director speaker@teco.com.tw 	<ul style="list-style-type: none"> ● Conduct customer satisfaction survey, analysis and countermeasures every year. ● Regularly perform external audit (Oct-Nov 2022), internal audit, process audit and product audit of the quality control system. ● 3 Media Press Conference (3 times) ● Attended 5 Exhibition (Hannover Messe, Automation Exhibition, Smart City Exhibition, Kaosiung Food Exhibition, Taipei Home Appliance Exhibition). ● 25 news papers on the official website, 50 mails. ● 101 FB; Reply 84 FB, 42 Youtube videos. ● Green Minds Creative Competition for Primary and Secondary schools.
Supplier	Green supply chain management Human right evaluation for suppliers Operational performance Order management Quality management Technology used in production	<ul style="list-style-type: none"> ● Evaluation of suppliers---70 per year. ● Examination of suppliers---once a quarter ● Counseling for suppliers---offered if needed ● E-procurement---if needed ● Contact window: (Coordination) Director Lin dora@teco.com.tw 	<ul style="list-style-type: none"> ● Risk assessment and on-site evaluation were undertaken for key suppliers, with key suppliers ● 100% major suppliers have signed the ESG commitments. ● Held a total of 2 sustainable supply chain forums, tutoring 6 suppliers to communicate sustainable issues: ESG, carbon neutral, etc.
Local community	Occupational safety and health Environmental management Social participation Voluntary services for social benefit	<ul style="list-style-type: none"> ● Service centers in industrial parks---services provided irregularly ● Joint efforts to prevent impact of disasters on neighborhoods of industrial parks---once every quarter ● Communication mailbox at the company's website---for use irregularly ● Employees' voluntary work for social benefit---activities held every quarter ● Contact window: (PR) Manager Jiang pr@teco.com.tw 	<ul style="list-style-type: none"> ● No violations of regulations on air pollution and waste disposal as well as no events with negative impact on neighboring communities ● Participation in joint efforts and cooperation with other companies stationed in industrial parks to prevent impact of disasters on residential communities neighboring industrial parks ● Energy-saving education was offered for local communities and schools ● 1,154 employees participated in public activities with 1,592 voluntary hours.
NGO (non-governmental organization)	Environmental protection Social benefit Labor conditions	<ul style="list-style-type: none"> ● Actively participated in various forums and workshops organized by civil groups and academic groups ● Disclosure of non-financial information---regular publication of CSR (corporate social responsibility) reports every year, disclosing the company's action in environmental protection, social responsibility and corporate governance and results accordingly ● Contact window: IR) Director Chien ir@teco.com.tw 	<ul style="list-style-type: none"> ● Issued corporate sustainability report every year, won the Taiwan Enterprise Sustainability platinum Award for eight consecutive years. ● Greenhouse gas inventory---the company passes BSI (British Standards Institution) ISO 14064-1 verification to obtain reasonable level of assurance every year
Government agency	Regulatory compliance Occupational safety and health Reduction in greenhouse gas	<ul style="list-style-type: none"> ● Irregular attendance in symposiums and public hearings on regulations held by authorities concerned ● Work with the competent 	<ul style="list-style-type: none"> ● Pursuant to OHSAS (Occupational Health and Safety Assessment Series) 18001 and CNS 15506 under Taiwan Occupational Safety & Health Management System, the company has set up an OSHMS for

Stake holders	Issue	Communication channel/response method/frequency	Communication efficiency/achievement
	emission Environmental protection Energy management	authority in auditing and supervision ● Contact window: (Spokesperson) Chien Director speaker@teco.com.tw	efficient management to secure employees' occupational safety and health

3.3.4 Compensation Committee

1. Information on Members of Compensation Committee

Roles Name	Criteria		Independence Criteria	Number of part-time positions on the compensation committees of other companies
		Professional qualifications and experience		
Independent Director	Shiang-Chung Chen	Please refer to Page 12 disclosed information about director qualification and independence.	According to the company's articles of Incorporation and the "Corporate Governance Best Practice", directors are selected through a candidate nomination system. When nominating and selecting board members, the company has obtained written statements, work experience, and current incumbents from each director. Certificate, and kinship table to verify the independence of the self, spouse and relatives within the third degree relative to the company. The company has also verified that the four independent directors listed on the left have complied with the "Regulations on the Appointment of Independent Directors of Public Offering Companies and Matters to Be Followed" promulgated by the Financial Supervisory Commission and Article 14 of the Securities and Exchange Law in the two years before the election and during their tenure. The qualification requirements stipulated in the second, and all independent directors have been given the power to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and independently perform relevant functions and powers.	1
Independent Director	Wei-Chi Liu			2
Independent Director	Hsieh-Hsing Huang			1
Independent Director	Li-Chen Lin			0

Roles Name		Criteria		
		Professional qualifications and experience	Independence Criteria	Number of part-time positions on the compensation committees of other companies
External Expert	Kung-Yeun Jeng	<p>Mr. Jeng graduated from the Department of Shipbuilding Engineering of National Cheng Kung University, and then successively obtained a master's degree from the Institute of Transportation Engineering of Chiao Tung University, a master's degree from the Institute of Shipping Management of MIT and a doctorate from the Institute of Transportation and Transportation of Chiao Tung University.</p> <p>Mr. Jeng has more than 30 years of work experience. He has served as the chairman of EVA Air, the chairman of UNI Air, the vice chairman of EVA Group Italian Shipping, and the deputy general manager of EVA Shipping. Currently, he is the President of Taiwan High Speed Rail. At the same time, he is a member of the current Compensation Committee. Possess majors in transportation management, information system management, investment evaluation and analysis, management company leadership and ESG. Without cases mentioned in various clauses of Article 30 of Company Law.</p>	During the two years prior to his appointment and during his tenure, he did not violate the independence provisions of Article 6 of the "Regulations on the Establishment and Exercising of Functions and Powers of the Company's Salary and Remuneration Committee for Stocks Listed or Traded at Securities Firms' Business Places"	0

2. Information on Members of Compensation Committee

A. There are five members in Compensation Committee

B. The term of the current committee: July 23, 2021 to July 22, 2024. The committee has met three times(A) .
The attendance and qualifications of committee members is as following:

Title	Name	Number of attendance (B)	By Proxy	Attendance rate (%) (B/A)	Remarks
Convener and chairman	Shiang-Chung Chen	3	0	100%	
Member	Wei-Chi Liu	3	0	100%	
Member	Kung-Yeun Jeng	3	0	100%	
Member	Hsieh-Hsing Huang	3	0	100%	
Member	Li-Chen Lin	3	0	100%	
Member	Pen-Ching Cheng	3	0	100%	

Other mentionable items:

1. In case the board of directors declines or modifies the suggestions of the compensations committee, specify the date, number, contents, and resolutions of the meeting of the board and its handling of the opinions of the compensations committee.
2. If a member opposes or has reservation, on record or in written form, about the resolutions of the compensations committee.
3. Summary of main subjects of communication and results in 2022

Compensation committee	Communication Item	Communication Result
5-3 (Feburary 21, 2022)	The discussion proposal on the amendement of the Company's Directors' Remuneration Distribution method.	It is suggested to revise and adjust the content and retry the calculation to be amended.
	The proposal on the Company's 2021 remuneration distribution for directors	Approved, summit to board of directors for resolution
	The proposal on the Company's 2021 remuneration distribution for employees	Approved, summit to board of directors for resolution
	Discussion proposal on performance and salary adjustment of managers appointed by the company	Approved, summit to board of directors for resolution
5-4 (March 28, 2022)	Discussion on the Retirement Pension of the appointed manager of the company.	Approved, summit to board of directors for resolution
	Discussion on the Remuneration of the appointed manager of the company.	Approved, summit to board of directors for resolution
	Discussion on director of TECO group research institute Kun-Yao Ho remuneration	Approved, summit to board of directors for resolution
5-5 (Dec 29, 2021)	The company's 2023 directors, supervisors and important staff liability insurance report	Notification.
	Report on distribution of remuneration to executive manager in 2021	Notification.
	Report on distribution of 2022 year-end bonuses among managers	Notification.
	Discusstion on the structure and salary adjustment of the company's manager	Approved, summit to board of directors for resolution

3.3.5 The Company's implementation of sustainable development, differences from the practices of TWSE/TPEX Listed Companies, and reasons for the differences

Promotion items	Execution			Discrepancy with "Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summarized Explanation	
I. Does the company establish exclusively (or concurrently) dedicated units to implement sustainable development, and does the Board of Directors appoint executive level positions with responsibility for sustainable development to supervise the status of the implementation to the Board of Directors?	V		<p>1. The Company sets up "ESG Promotion Office" in January 2022 to regularly report to chairman, follow up with implementing TECO sustainable development goals and policies. CEO of ESG Promotion Office is the highest management level. ESG Promotion Office is employed with full-time sustainable management officer, responsible for work or promotion across different departments, consisting of "business group/site representative", "safety and health team", "HR", "finance division", "Corporate Purchasing Center" and other units, to simultaneously promote the work across the Company.</p> <p>2. The board of directors set up a "corporate governance and sustainability committee" to guide the relevant matters of "corporate governance", "legal compliance and legal affairs" and "ESG". The committee consists of more than three directors, over half of them independent directors, with convener and chairman of committee meetings being served by an independent director to be elected by committee members. Meetings are held regularly every year.</p> <p>3. The working plan for 2022 has been submitted to the 2nd meeting of the 3rd corporate governance and sustainability committee (January 17, 2022) and the 6th meeting of the 26th board of directors (March 16, 2022). The relevant implementation report has been submitted to the 2nd meeting of the 4th corporate governance and sustainability committee (August 8, 2022) and the 10th meeting of the 26th board of directors (August 12, 2022). The directors in 2022 suggested the operation team should :</p> <ul style="list-style-type: none"> ● Strengthen the explanation of the cost and benefit of implementing various sustainable development projects such as emission reduction. ● Strengthen the exposure of positive operational issues, allowing investors to understand the company's strategic development more correctly and enhance the positive image. ● Information security incidents are professional and complicated, and it is necessary to continuously improve the knowledge of all colleagues and strengthen the improvement of related deficiencies in information security management. 	Compliance with "Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies"
II. Does the company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and establish relevant risk management policies or	V		<p>1. The Company established the Risk Management Policy and Procedure in accordance with Article 44 of the Regulations Governing Establishment of Internal Control Systems by Public Companies at the 17th meeting of the 22nd board of directors (March 20, 2012), and its first amendment was adopted at the 6th meeting of the 26th board of directors (March 16, 2022). The strategy, scope, organizational structure and implementation status of the risk management in 2021 have been reported to the 13th meeting of the 26th board of directors (December 23, 2022) and disclosed on the official website of the</p>	Compliance with "Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies"

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons																	
	Yes	No	Summarized Explanation																		
strategies? (Note2)			<p>Company.</p> <p>2. TECO is committed to establishing a sound risk management system. The "audit committee" and "corporate governance and sustainability committee" are the highest level of the company's risk management, in charge of various risks, so as to clarify the division of responsibilities, carry out risk control at different levels, and report to the chairman of the board. In addition, the Company is responsible for monitoring and auditing the whole risk management mechanism through the audit team directly under the board of directors, ensuring the effectiveness of the company's risk control and properly managing potential risks through internal audit operations.</p> <p>3. The scope of major risk assessment in 2022 includes plants in Taiwan, the United States, mainland China, Vietnam and Malaysia, which is the same as the scope of the sustainability report.</p> <p>4. In 2022, the ESG Promotion Office identified material issues from the perspective of global mega trend, prepared the stakeholder questionnaire, interviewed representative stakeholders, collected information and updated the extent of attention. The office sequenced and analyzed these issues from the perspectives of both external stakeholders and internal managers, identified different opinions and corrected the direction of ESG promotion. The company has formulated the following risk management policies or strategies pertaining to the environmental, social and corporate governance issues based on the principle of materiality:</p> <table><tr><th>Material issue</th><th>Risk assessment Item</th><th>Remark</th></tr><tr><td rowspan="4">Environment</td><td>Full product lifecycle management</td><td>Establish the carbon emission reduction strategy for products and implement carbon emission reduction measures at the raw material and manufacturing stages.</td></tr><tr><td>Identification of climate change risk and opportunities</td><td>Carry out the “10-year Emission Reduction by 50%” plan, and achieve the goal by 2030.</td></tr><tr><td>Identification of future cost</td><td>Track carbon footprints of major products, establish carbon specifications for products and define perpetual management goals for related suppliers.</td></tr><tr><td>Renewable energy and green power generation</td><td>Increase solar power generation facilities successive at various plants and establish an adequate power capacity reserve to comply with proactive laws and regulations.</td></tr><tr><td rowspan="2">Social</td><td>Customer relations management</td><td>Optimize service capacity and improve customer satisfaction.</td></tr><tr><td>Employee life and occupational safety</td><td>Refer to the labor standards outlined in the UN Universal Declaration of Human Rights, the UN Global Compact, and the International Labor Organization Conventions.</td></tr></table>	Material issue	Risk assessment Item	Remark	Environment	Full product lifecycle management	Establish the carbon emission reduction strategy for products and implement carbon emission reduction measures at the raw material and manufacturing stages.	Identification of climate change risk and opportunities	Carry out the “10-year Emission Reduction by 50%” plan, and achieve the goal by 2030.	Identification of future cost	Track carbon footprints of major products, establish carbon specifications for products and define perpetual management goals for related suppliers.	Renewable energy and green power generation	Increase solar power generation facilities successive at various plants and establish an adequate power capacity reserve to comply with proactive laws and regulations.	Social	Customer relations management	Optimize service capacity and improve customer satisfaction.	Employee life and occupational safety	Refer to the labor standards outlined in the UN Universal Declaration of Human Rights, the UN Global Compact, and the International Labor Organization Conventions.	
Material issue	Risk assessment Item	Remark																			
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Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons															
	Yes	No	Summarized Explanation																
			<table><tr><th>Material issue</th><th>Risk assessment Item</th><th>Remark</th></tr><tr><td></td><td></td><td>Establish the environmental safety management system and promote the operation of the management system in accordance with ISO 14001 and ISO 45001. Organize regular trainings related to environment and safety.</td></tr><tr><td rowspan="4">Corporate Governance</td><td>Strengthen the function of the board</td><td>Make the further learning plan for the directors and provide the latest laws, regulations and policies from time to time.</td></tr><tr><td>Code of conduct and regulatory compliance</td><td>Carry out the internal control system and ensure all directors, managers and employees comply with related laws, regulations, rules and code of conduct.</td></tr><tr><td>Resilience of supply chain and Coaching supply chain transformation.</td><td>Build four production centers to offset the negative impact from climate and political changes. Implementation of supply chain greenhouse gas inventory guidance for small and medium-sized enterprises.</td></tr><tr><td>Smart low carbon factory</td><td>Development of new low-carbon products and build virtual power plants and microgrid operating capabilities+.</td></tr></table>	Material issue	Risk assessment Item	Remark			Establish the environmental safety management system and promote the operation of the management system in accordance with ISO 14001 and ISO 45001. Organize regular trainings related to environment and safety.	Corporate Governance	Strengthen the function of the board	Make the further learning plan for the directors and provide the latest laws, regulations and policies from time to time.	Code of conduct and regulatory compliance	Carry out the internal control system and ensure all directors, managers and employees comply with related laws, regulations, rules and code of conduct.	Resilience of supply chain and Coaching supply chain transformation.	Build four production centers to offset the negative impact from climate and political changes. Implementation of supply chain greenhouse gas inventory guidance for small and medium-sized enterprises.	Smart low carbon factory	Development of new low-carbon products and build virtual power plants and microgrid operating capabilities+.	
Material issue	Risk assessment Item	Remark																	
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	Smart low carbon factory	Development of new low-carbon products and build virtual power plants and microgrid operating capabilities+.																	
III. Environment issues (I) Does the company establish an appropriate environmental management system according to its industrial characteristics?	V		1. By the type of business, each plant needs to obtain international certification such as ISO 9001 and TS16949, and strengthen the control ability of introducing ISO 14001, ISO 45001 or hazardous substances.	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “															
(II) Is the company committed to improving the energy utilization efficiency and using recycled materials with low impact on environmental load?	V		<ul style="list-style-type: none">● Motors use recycled materials: Reuse melted silicon steel scrap as the motor shell, of which recycled iron accounts for about 70%● Introduction of waterborne paint: The external coating of the motor changes to waterborne coating, which can effectively reduce the emission of volatile organic compounds (VOC). The waterborne coating has reached 85% of the total production, and the total emission of volatile organic compounds (VOC) has been reduced by about 60%● Climate-friendly alternatives to HFCs: Promoting R32 refrigerant recovery and refrigeration process recovery, the small home air conditioners produced by TECO have adopted climate-friendly refrigerants.	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “															
(III) Does the company assess the potential risks and opportunities arising from climate change at present and in the future and take related countermeasures?			TECO declares "50% carbon reduction in ten years". 50% of carbon reduction will be achieved by 2030. The goal of carbon neutralization will be achieved by 2050.	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “															

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
(IV) Has the company counted greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, water use reduction or other waste management?			<ul style="list-style-type: none"> Greenhouse-gas emission volume: TECO conducts inventory of greenhouse-gas emission volume (scope 1 and 2) for factory premises in Taiwan, China, Vietnam, the U.S., and Italy and subjects the results to ISO 14064-1 verification, to assure the accuracy of inventory data. * With 2020 as the base year for calculation, total carbon emission volume (scope 1 and 2) reached around 69,200 metric tons CO2e/year, attaining the emission reduction target of 74,200 metric tons CO2e/year for the year. * In line with the requirement of the Financial Supervisory Commission, the company plans to set up five more stations, to expand management scope, with total emission volumes being in 2023: -- Direct emission volume (scope 1): around 21,909 metric tons of CO2e/year -- Indirect energy emission volume (scope 2): around 59,200 metric tons of CO2e/year -- Other indirect emission volumes (scope 3): around 134,600 metric tons of CO2e/year (Taiwan area) Water consumption volume: A total of 367 million cubic meters. With 2020 as base year, TECO has aimed to cut water consumption volume by 5%, setting consumption target at 387 million cubic meters. Wastes: Total nonhazardous wastes volume (common and recycled for reuse) around 27,700 metric tons, including 890 metric tons of hazardous wastes., TECO aimed to cut waste density to 1.01 in 2022, down from 1.3 in the base year 2020 (5% annual reduction target). For finalized data, please refer to 2022 sustainability report Greenhouse-gas emission volume. 	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “
IV. Social Issues (I) Does the company establish appropriate management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?			TECO respects and encourages implementation of the labor standards of The UN Universal Declaration of Human Rights, The UN Global Compact, and The International Labor Organization Conventions, and TECO is committed to ensuring that everyone is equally treated in a dignified manner within and outside TECO. The mitigation measures include safe and healthy work environment, no compulsory and forced labor, no child labor, non-discrimination, freedom of association and collective bargaining rights.	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “
(II) Whether the company has formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits), and appropriately reflect the operating performance or results in employee compensation?			1. Sharing of management results <ul style="list-style-type: none"> Materialize performance management system, linking employee compensations to corporate business performance, so as to inspire sense of mission for works among employees. The corporate charter calls for appropriation of up to the company's annual profits as employee-compensations payout. In addition, the "evaluation measures for year-end bonus" mandates the company to set aside a certain percentage of operating income for payout of year-end bonus for employees. Criteria for payout of special bonus" is applicable to 	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>managers and higher-ranking officials, setting the amount of bonus according to personal performance to be paid out quarterly in the following two years, with the amount associated with their KPI scores in the previous quarter. KPI is an performance indicator set for units and individuals and is associated with sustainability index for employees related to sustainability program. Meanwhile, for the sake of balancing gender structure, the company has assure vacancies for female promotion via KPI indicator, thereby having raised female share in promotion to 31.4%, up from 30.4% three years ago.</p> <ul style="list-style-type: none"> ● The shareholding identification association was established in 2020, consisting of managers or high-ranking officials with corporate shareholding which they purchase in the form of shareholding trust with part of the special bonus given by the company. There is also employee shareholding association, consisting of managers or higher-ranking officials with shareholdings which they purchase in the form of shareholding trust with money half appropriated from their monthly pays and the other half contributed by the company. TECO will continue optimizing long-term compensations measures and raise the share of sustainability indicator in the performance evaluation indicator for employees. <p>2. Employee welfare measure:</p> <ul style="list-style-type: none"> ● Comprehensive vacation system: In order to balance the work and life balance of colleagues, and implement leave management, in addition to the leave enjoyed by employees in accordance with relevant laws and regulations, the Company also examines the special leave-taking rate of each unit and includes it in the annual performance evaluation index of the executives. <ol style="list-style-type: none"> (1) Birthday leave: Birthday is a special day for individuals once a year. In order to allow colleagues to flexibly arrange activities in the month of birthday and fully feel the joy of birthday, the company has set up a birthday leave to show the company's blessing (2) Charity Leave: To encourage employees to participate in social charitable activities and implement the responsibility of corporate citizens, the Company has set up the paid leave for such activities. Such charity leaves could be up to three days per year. Employees can engage in public charitable activities with the full salary paid, and will also not affect their performance evaluation. (3) Miscarriage prevention: If an employee needs to take a leave for miscarriage prevention during pregnancy, she may take such leave up to 10 days with full salary paid, better than 7 days according to the current regulations. (4) Rehabilitation leave: To make employees feel at ease and fully rest when they are ill, when employees are hospitalized, they can take paid leave corresponding to the length of stay in hospital after discharge from hospital. ● Wedding gratuity: When the employees or their children get married, TECO executives will extend our 	

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>congratulations along with a marriage allowance.</p> <ul style="list-style-type: none"> ● Funeral allowance When tragedy strikes employees or their families, TECO executives will mourn with them. In the funeral, TECO executives will send condolence banners or wreathes, as well as condolence allowance. ● Dormitory: Free dormitory is provided for employees in the plants. The dormitory self-management committee will consist of employees who live in the dormitory. Some fees are charged monthly for paying cleaning common areas, facility repair and various sports and entertainment activities. 	
(III) Whether the company has provided staffers safe and healthy working environment and held regular safety and health education for staffers?			<p>TECO establishes the environmental safety management system and promotes the operation of the management system in accordance with ISO 14001 and ISO 45001 (Guidelines of Taiwan Occupational Safety and Health Management System). The headquarters (TECO) and its 8 affiliated enterprises have set up ISO 14001 and passed the verification. TECO organizes the environmental safety monthly activities in the third quarter of each year, and the environmental safety related training and award-winning activities to encourage the participation of all employees. Through these activities, all employees could increase the environmental safety related knowledge and raise their awareness. The environmental safety is improved in line with external auditing.</p> <ul style="list-style-type: none"> ● Disabling injury frequency rate FR: 1.66 ● Disabling injury severity rate SR: 74 ● Statistics of workplace disaster-related events: 16 events (2 events in Taiwan plants, 10 events in Mainland China plants, 4 events in Italy plants. ● Review and improve through accident investigation and analysis, re-examine the safety of facilities and equipment, and promote employees to wear appropriate protective equipment and operate in accordance with procedures, so as to enhance employees' safety and hygiene awareness and ensure employees' work safety. ● The above data are finally subject to the confirmed data in the 2022 Sustainability Report. 	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “
(IV) Whether the company has established effective cultivation plan for staffers in developing capabilities essential for their career?			<p>Mentor Program: Training senior managers with the capacity of carrying forward and organization. Under this Program, the business unit head (mentor) will select mentees and arrange mentees to complete operation/management capacity test. Of them, the operation/management capacity test covers six aspects: performance and target tracking management, strategic thinking, application of financial statements and cost concepts, team building, development of subordinates, communication and coordination. In line with the evaluation results, the mentor and mentee jointly formulate the mentoring objectives and learning tasks.</p> <p>Digital skill training:</p> <ol style="list-style-type: none"> 1. Digital skills courses – 5 online courses in cooperation with the Hahow training platform. 200 employees completed 1666.2 hours of training, so as to achieve the goal of encouraging employees to learn digital knowledge and skills independently. Another 17 online courses (approximately 61 hours) were purchased for independent study by colleagues. A total of 2097 people completed the study, with a total of 11396.8 hours of study hours 2. Digital transformation project – Held an internal digital project competition, experienced problem thinking, plan 	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
			<p>proposal, POC and result review, a total of 6 teams completed the test and achieved preliminary results, assisted the company in optimizing product development, process services and operation management, and became the core of internal improvement Exemplary representatives.</p> <p>3. Digital Seed Cultivation Courses: This year, 6 basic digital courses (covering digital introduction, RPA application, data science, BI, etc.) will be organized in cooperation with external consulting companies and the Brake Association to strengthen colleagues in various fields. optimization awareness. A total of 65 person-times of training have been completed, with a total of 265.5 hours of learning hours.</p> <p>Supervisor Training Supplement:</p> <p>1. Middle-level supervisor training: 4 courses, new generation management and leadership, subordinate development and guidance, financial statement reading analysis and cost concept, strategic thinking establishment, a total of 32 people participated in the training, and 14 people completed the training.</p> <p>2. General general training (prevention of workplace bullying and sexual harassment, gender equality, international political and economic trends and analysis) was completed, with a total of 300 people trained and a total of 568 hours of learning.</p> <p>The development training plan established by the company for employees covers newcomer training, understanding the head office and factory environment, supplemented by instructions on company culture and performance evaluation system, to help newcomers quickly understand the company; Supervisor training and mid-level reserve supervisor training, an annual training plan for new supervisors and 5-8 grade supervisors who are ready for promotion; the professional training level is based on the TECO Institute structure for core functions, professional functions and general policy functions. The core function is to establish the cost concept, business management awareness and information security risk of the company's supervisors; the professional function covers the general knowledge of the marketing business and R&D grades, as well as the technical courses of motors, electric controls, electricity, appliances, and refrigeration and air conditioning. Cultivate talents' basic professional skills and general knowledge to achieve the goal of multi-disciplinary cultivation and development across grades. This year, digital skills courses, digital transformation projects, and digital seed cultivation courses are completed, which are combined with reserve supervisor training, core functions and professional common functions training (international political and economic trends and analysis of workplace bullying and sexual harassment prevention and gender equality); various institutions offer technical course.</p>	
(V) With regard to customer health and safety, customer privacy, marketing and labeling of products and services, has the company followed relevant			<p>Energy saving and carbon reduction are the trends in the design and development of home appliance products. TECO's motor complies with the international efficiency rating, and considers products above IE3 as high-efficiency motors. In 2022, the sales volume of high-efficiency motors account for more than 60%. TECO continues to promote replacement, provide sustainable power for the future.</p>	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “

Promotion items	Execution			Discrepancy with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “ and reasons
	Yes	No	Summarized Explanation	
regulations and international standards, and formulated relevant consumer or client protection policies and appeal procedures?			TECO's air conditioners focus on the development of frequency conversion under the condition of complying with the national CNS regulations and basic safety standards, achieving energy saving/water saving and import R32 environmentally friendly refrigerant and environmentally friendly material, and obtaining energy saving labels, environmental protection labels and water saving labels, as product labeling and marketing. In addition to satisfying the health and safety of consumers, also contribute to reducing carbon emissions in the environment. The Company has also set up a dedicated service line for home appliances consumer (A-OK Technical Service Co., Ltd.) to provide a channel for consumers to report for repairs and complaints, and provide a privacy protection statement for related repairs to ensure consumer rights.	
(VI) Does the company formulate a vendor management policy requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health, labor rights, and supervised the compliance?			TECO integrates relevant standards into the sustainable management policies for the supply chain in the aspects of economy, society and environment. To ensure that suppliers fulfill their corporate social responsibility, in addition to using the assessment mechanism to require suppliers to provide competitive quality, delivery time and technology, TECO also deepens management through specially formulated supplier ESG terms, creating manufacturer ESG evaluation form, increasing the proportion of localized procurement strategy, and signing the "RoHS Compliant Warranty", "statement of no conflict minerals" and "letter of commitment for human rights and environmental sustainability".	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “
V. Does the company refer to the internationally-accepted reporting standards or guidelines to prepare sustainability reports and other reports that disclose non-financial information? Has the aforesaid reports received assurance or certification from a third-party accreditation institution?			The sustainability report is compiled with contents and framework in line with the core items of the GRI standards publicized by the Global Reporting Initiative (GRI), while environmental and greenhouse-gas inventory is carried out with contents and framework following the suggestions of TCFD (Task Force on Climate-Related Financial Disclosures). Meanwhile, accuracy of the sustainability report is assured by BSI according to AA1000 V3 first-category medium-guarantee standards.	Compliance with “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies “
VI. Should the company formulate own sustainable development practice principles according to “Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Company,” specify its execution and difference with the principles: The Company has the sustainable development best practice principles, which covers the overall operation activities of the Company and its group enterprises. In corporate operation, the Company is expected to actively implement the international development trend of sustainable development, enhance the national economic contribution, improve the quality of life of employees, communities and society, and build its competitive advantage based on sustainable development through fulfilling the responsibility of corporate citizens. There is no difference in implementation results.				
VII. Other important information to facilitate better understanding of the Company's sustainable development practices: Since 2022, TECO has set up "ESG Promotion Office" to regularly report to chairman, follow up with implementing TECO sustainable development goals and policies, TECO declares "50% carbon reduction in ten years". 50% of carbon reduction will be achieved by 2030. The goal of carbon neutralization will be achieved by 2050.				

3.3.6 Adherence to the Ethical Corporate Management and Measures

The company executes ethical corporate management based on “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”

Evaluation items	Execution (note 1)			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summarized Explanation	
<p>I. Formulate policy and program for ethical corporate management</p> <p>(I) Whether the company has explicitly expressed the policy and methods of ethical corporate management in its charter and outbound documents and whether the board of directors and management have fulfilled the commitment to the policy of ethical corporate management</p> <p>(II) Whether the company has established an assessment mechanism for the risk of unethical, regularly analyzes and evaluates business activities with a high risk of unethical in the business scope, and accordingly formulates a plan to prevent unethical, and at least cover the preventive measures for the conduct of the second paragraph of Article 7 of the "Code of Integrity Management of Listed OTC Companies"</p>	V		<p>(I) "Operate with integrity, implement corporate governance, and fulfill Social Responsibility, Pursuing Sustainable Management" is TECO's core value. The company has yet to formulate “Ethical Corporate Management Best Practice Principles” on August 14 in 2014, and amended on December 23 in 2016 and November 12 2019. The board also amended “Rules of Ethical Conduct to Directors and Managerial Officers” on March 20 2015. Besides the policies mentioned above disclosed on the company's website, the company's directors and management have signed “Integrity Statement” to cautiously fulfilling their duties in compliance with the obligation of attention of a prudent administrator. The company in August 2018 set up the “Corporate Governance and Sustainability Committee” and formulated “Corporate Governance and Sustainability Committee Charter” on August 13th 2018. The committee consists of more than three directors of whom over half are independent directors. An independent director was elected as meeting convener and chairman who is responsible for evaluating performance in corporate governance and social responsibility as well as ethical operation.</p> <p>(II) The company's board of directors decided on November 12, 2019 to amend the company's "Ethical Corporate Management Best Practice Principles", clearly listing the evaluation mechanism for the risks of unethical business activities, preventing from items of the scope covering various behaviors of article 7-2 of "Code of Integrity Management of Listed Companies" (I. bribery and acceptance of bribes. II. Providing illegal political donations. III. Improper charitable donation or sponsorship. IV. provide or accept unreasonable gifts, hospitality or other irregularities. V. Infringement of business secrets and trademarks, rights, patent rights, copyrights and other intellectual property. VI. Engaging in unfair competition VII. Direct or indirect damages to consumers' or other interested parties' benefit, health and safety during R&D, procuring, manufacturing, offering or selling products and services) Accordingly, Legal and Compliance Division announced the implementation of the "fraud business risk assessment mechanism" on July</p>	<p>Compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies</p>

Evaluation items	Execution (note 1)			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summarized Explanation	
(III) Does the company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent unethical behaviors, and implement it, and regularly review and revise the pre-disclosure plan?			<p>27, 2020. Various departments of the Company shall conduct a review report on the risk of unethical behavior in the first and second half of each year, and update the analysis, evaluation and preventive measures plan of the risk of unethical behavior in the next year. In addition, the company formulated “Procedures for Ethical Management and Guidelines for Conduct” to prevent the company members from failing to perform business. Please refer to the evaluation item (3).</p> <p>(III) The " Procedures for Ethical Management and Guidelines for Conduct " formulated by the company on November 16, 2017. It is clearly stipulated that employees shall not directly or indirectly provide, promise, request or receive any illegitimate benefits in the execution of their business, or make other acts that violate good faith, illegality or breach of acceptance. Dishonest acts such as fiduciary duty to obtain or maintain benefits. In order to urge employees to maintain an awareness of integrity behaviors, the company will not only disclose the integrity standards related to business behaviors to internal website, and encourage employees to sign the “Integrity Statement” (the signing rate reached 100% in 2021) with all companies around the world. Customs enterprises signed a letter of commitment for honest management of the companies (100% completion rate). In addition, the system's propaganda should be followed when conducting honest behaviors with colleagues through multiple methods such as education courses and quarterly conferences. In addition, in order to implement the high requirements of compliance with laws and regulations and professional ethics, the company has set up a " Bylaws to report cases of illegal and unethical conduct”, establish the company's internal and external reporting channels and handling systems, and set up the "Legal & Compliance Division" under the board of directors as the responsible unit for integrity management, responsible for the implementation of integrity management policies and prevention plans. At the same time, it reviews regularly, and the recent board of directors' resolution on March 17, 2020 passed the amendment to the " Procedures for Ethical Management and Guidelines for Conduct."</p>	
<p>II. Materialize ethical corporate management</p> <p>(I) Whether the company has evaluated the track record on the integrity of business partners and whether the contracts with business partners include</p>	V		<p>(I) When the company conducts external commercial activities, it will consider its integrity record before dealing with the counterparty. The Company's Board of Directors' legal & compliance division also incorporates the terms of good faith into the</p>	<p>Compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies</p>

Evaluation items	Execution (note 1)			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summarized Explanation	
<p>an article on behavioral integrity.</p> <p>(II) Does the company set up a special unit under the board of directors to promote the integrity management of the enterprise, and regularly (at least once a year) report to the board of directors on its integrity management policies and plans to prevent unethical behaviors and supervision and implementation?</p> <p>(III) Whether the company has formulated policy preventing conflict of interest and provided, as well as faithfully executed, proper channel for complaints.</p> <p>(IV) Whether the company has instituted effective accounting system and internal control system for the materialization of the policy of ethical corporate management, which is audited regularly by in-house auditing unit or certified public account under its entrustment.</p>			<p>company's various types of system contracts, requiring the transaction partners to strictly observe integrity code. The Human Rights and Environmental Sustainability Commitment amended on June 10, 2021 requires the trading partners to sign the sustainable development statement. The priority is given to those enterprises that sign the integrity commitment.</p> <p>(II) The company has established the Board of Directors' legal & compliance division to promote dedicated units for the formulation of integrity management policies and prevention plans. On January 17, 2022, August 8, 2022, it reported annual work plan and its implementation in "Corporate Governance and Sustainability Committee". And regularly report to the board of directors semiannually (in the year 2022 of the board of directors on March 16 and August 12). The measurement for fraud business risk assessment mechanism was released on July 27, 2020. The risk review and report of unethical behavior was accessed in the first and second half of 2022 in accordance with the measures in 2022. The risk analysis and preventive measures plan for unethical behavior in 2023 was updated on December 16, 2022.</p> <p>(III) The company has formulated “Procedures for Ethical Management and Guidelines for Conduct” and “Rules of Ethical Conduct to Directors and Managerial Officers”, demanding all staffers not to take benefits and sacrifice the company’s interests for personal benefits. When discovering violation of integrity-related regulations, one can make compliant or report, according to the company's " Rules of Ethical Conduct to Directors and Managerial Officers ". For the accused, it also provides the opportunity to express their opinions or appeal.</p> <p>(IV) In order to ensure the implementation of integrity management, the correctness of accounting and financial processes and the effectiveness of internal control, the company has an "audit committee" to supervise the "finance and management center" which is responsible for dynamic management of financial risks. Annually consider the five elements of laws and regulations compliance, COSO internal control, and according to the company's strategic objectives and past audit experience, internal audit division evaluates the company's risks at all levels under the existing organizational structure, and propose an audit plan for the following year. The audit committee (Dec 19, 2022) and the board of directors (Dec 23, 2022) to report and approve the compliance status of the regular inspection system. In the fourth quarter of each year, the internal control system self-assessment of each</p>	

Evaluation items	Execution (note 1)			Difference with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
	Yes	No	Summarized Explanation	
(V) Whether the company had held internal or external education and training regularly on ethical corporate management.			<p>business unit and important affiliated companies will be carried out, and the internal control system will be self-evaluated in the first quarter, based on the audit committee report (March 10, 2022) and board meeting (March 15, 2022). In addition, through the annual internal control self-assessment, each business group of TECO must self-examine the effectiveness of the internal control system design and implementation.</p> <p>(V) TECO regularly organizes internal education and training courses such as training for new recruits and new supervisors every year, and at the same time announces the " Ethical Corporate Management Best Practice Principles " and "Procedures for Ethical Management and Guidelines for Conduct " related to integrity management regulation, and at least once a year, the relevant laws and regulations shall be carried out on directors, managers and employees for education promotion. The Company has delivered relevant training and information sessions for the incumbent directors, managers and employees on September 16, 2022, December 9, 2022 and December 23, 2022. The course contents include compliance with integrity business laws and regulations, fair trading laws and regulations, corporate governance spirit, intellectual property management and protection system, TIPS system introduction, with a total of 801 employees/times participated and a total of more than 41,560 minutes. November 28, 2022, also invited to gather all the representative of the affiliated companies held a seminar on promoting integrity management to connect TECO to implement the group's core values of integrity management. Besides the employees of TECO have promoted the completion of the "Integrity Statement" (signing rate 100% of in-service employees in 2022), according to the " Preventing Insider Trading Rules and Major Internal Information Processing Procedures", the promotion on the relevant laws and regulations preventing insider trading procedures to the directors, supervisors, managers, and employees shall handle at least once every year. New directors, supervisors and managers shall be provided with education and publicity in a timely manner. The human resources unit promoted during the pre-employment training. After class, they were tested how they learned from class and place the course briefings and audiovisual files in the internal staff system. All employees are asked to pass the tests.</p>	

Evaluation items	Execution (note 1)			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summarized Explanation	
<p>III. Implementation of whistleblowing system</p> <p>(I) Has the Company established a concrete whistleblowing and reward system, established convenient whistleblowing channels, and designated appropriate personnel to handle the case being exposed by the whistle-blower?</p> <p>(II) Has the company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?</p> <p>(III) Has the Company established measures to protect whistleblowers from retaliation?</p>	V		<p>(I) As part of the company’s reporting system, the company has formulated “Bylaws to report cases of illegal and unethical conduct,” to regulate employees in compliance with integrity behavior. In case of any suspended fraud found, the employees shall be liable for giving a warning, and has instituted reporting e-mail address (integrity@teco.com.tw) with the audit division. The Company shall set up a hotline and integrity reporting system for employees, external personnel, manufacturers to directly report any unethical behaviors against financial, legal and integrity regulations. The audit division under the board shall be responsible for receiving and processing such cases.</p> <p>(II) For “Bylaws to report cases of illegal and unethical conduct”, Articles 3 and 4 specify channels of reporting and handling procedures while the standard operating procedures for the investigation of the reported matter and the follow-up measures to be taken after the investigation is completed, and the confidentiality mechanism is specified in Article 4, Item 5. For the informant or the personnel participating in the investigation and the content, the company adopts confidentiality and prudent procedure.</p> <p>(III) Provision 5 under Articles 4 of “Bylaws to report cases of illegal and unethical conduct” specifies secrecy mechanism that protects the reporters or responsible investigators and content of reporting from unfair treatment or revenge.</p>	Compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
<p>IV. Intensifying information disclosure</p> <p>(I) Whether the company has disclosed its “Ethical Corporate Management Best Practices Principles” on its website and the implementation effect.</p>	V		<p>(I) The company places relevant norms and publicity information on integrity management on its internal website for colleagues to inquire at any time. TECO’s external website (https://www.teco.com.tw) placed the annual report under “Investor Relations” (also placed at the Public Information Observatory) and corporate governance/management team and internal rules of the organization under “About TECO”, and the corporate social responsibility report under Corporate Social Responsibility are also fully disclosed with the relevant policy requirements, rules and regulations and information on integrity management.</p>	Compliance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
<p>V. Should the company formulate own ethical corporate management principles according to “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Company,” specify its execution and difference with the principles: The company has already formulated its own ethical corporate management principles and disclosed on the Company’s website. The company operation and guidelines comply with the Ethical Corporate Management Best Practice Principles.</p>				
<p>VI. Other key information conducive to the understanding of the company’s integrity-related affairs: (e.g. the Company reviews and amends its code of business conduct and ethics) The company materializes ethical corporate management via compliance with Company Law, Securities Exchange Act,</p>				

Evaluation items	Execution (note 1)			Difference with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summarized Explanation	
and regulations and laws governing listed firms, in addition to forbidding unethical behaviors in business dealings. The company has amended the " Ethical Corporate Management Best Practice Principles " on November 12, 2019; On March 17, 2021, amended the "Procedures for Ethical Management and Guidelines for Conduct"; On June 10, 2021, amended "Human Rights and Environmentally Sustainable Commitment"; 2022/4/24 announced the establishment of the "Supplier Code of Conduct"; 2022/9/14 announced the revision of "TECO Group's Business Secret Protection Policy".				

3.3.7 Corporate Governance Guidelines and Regulations

The company has instituted "Corporate Governance Best Practice Principles". The document could be accessed "Corpoarte Governance" on Market Observation Post System (<http://mops.twse.com.tw>) conforming to related regulations.

3.3.8 Other Important Information Regarding Corporate Governance

A. The important information regarding corporate governance has been disclosed on Market Observation Post System (b) conforming to related regulations.

B. Advanced studies for directors:

Title	Name	Date	Organizer	Training Course	Time
Chairman	Tung Kuang Investment Co., Ltd. Representative: Chwen-Jy Chiu	Feb 10, 2022	Taiwan Investors Relation Institute	The 27th CEO talk and Special Lecture	2 hrs
		Apr 28, 2022	Taiwan Investors Relation Institute	The 28th CEO talk and Special Lecture	2 hrs
		Aug 5, 2022	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
		Dec 23, 2022	Taiwan Investors Relation Institute	Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence governance	3 hrs
Director	Tong Ho Global Investment Co., Ltd. Representative: Cheng-Tsung Huang	Aug 15, 2022	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
		Dec 20, 2022	Taiwan Investors Relation Institute	Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence governance	3 hrs
Director	Show-Shoun Chou	Aug 15, 2022	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
		Dec 23, 2022	Taiwan Investors Relation Institute	Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence governance.	3 hrs

Title	Name	Date	Organizer	Training Course	Time
Director	Ho Yuan International Investment Co., Ltd. Representative: Pen-Ching Cheng	May 12, 2022	TWSE, Alliance Advisors, Taiwan Corporate Governance Association	Twin-Summit Forum	2 hrs
		Aug 15, 2022	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
		Oct 12, 2022	Securities and Futures Institute	111 Year Insider Equity Trading Act compliance publicity briefing.	3 hrs
Director	Yinge Int. Inv. Co., Ltd Representative: Li-Chong Huang	Mar 10, 2022	QIC, Georgeson, TWSE		1 hr
		May 12, 2022	TWSE, Alliance Advisors, Taiwan Corporate Governance Association	Twin-Summit Forum	2 hrs
		Aug 15, 2022	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
		Oct 12, 2022	Securities and Futures Institute	111 Year Insider Equity Trading Act compliance publicity briefing.	3 hrs
		Nov 14, 2022	TWSE	Finance and Climate Change Summit	3 hrs
		Dec 23, 2022	Taiwan Investors Relation Institute	Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence governance	3 hrs
Director	Creative Sensor Co., Ltd. Representative: Johnson Hou	June 3, 2022	Taiwan Corporate Governance Association	On the evaluation and Execution of Investment Mergers and Acquisitions from a Legal Viewpoint	3 hrs
		Jun 28, 2022	Taiwan Institute of Directors	2022 Annual Meeting of the Institute of Directors: An Era of Upheaval, Exploring the Core Competence of the Next Generation	3 hrs
		Aug 5, 2022	Taiwan Corporate Governance Association	Company Act Compliance and Supervisory Duties of Directors	3 hrs
Director	Song-Ren Fang	Mar 3, 2022	Taiwan Corporate Governance Association	The only way to sustainable management of enterprises-external innovation	3 hrs
		July 27, 2022	TWSE and Taipei Exchange	Sustainable Development Roadmap Industry Theme Publicity Conference	2 hrs
		Aug 15, 2022	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
Independent Director	Wei-Chi Liu	Apr 12, 2022	Taiwan Corporate Governance Association	Talking about how enterprises can effectively maintain brand value from recent cases of famous trademarks	3 hrs
		May 6, 2022	Taiwan Corporate Governance Association	Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence governance	3 hrs

Title	Name	Date	Organizer	Training Course	Time
Independent Director	Hsieh-Hsing Huang	August 15, 2022	Taiwan Corporate Governance Association	Analysis of the latest tax laws and practices in the first half of 2021	3 hrs
		Dec 23, 2022	Taiwan Corporate Governance Association	Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence governance.	3 hrs
Independent Director	Li-Chen Lin	Jun 28, 2022	Taiwan Institute of Directors	2022 Annual Meeting of the Institute of Directors: An Era of Upheaval, Exploring the Core Competence of the Next Generation	3 hrs
		Aug 24, 2022	Taiwan Corporate Governance Association	Strategic Thinking on the Reorganization of Group Enterprises (Including IPO in Mainland China)	3 hrs
		Aug 15, 2022	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
Independent Director	Shiang-Chung Chen	Oct 25, 2022	Taiwan Corporate Governance Association	2022 Research and Outlook on Important Economic and Trade Issues	3 hrs
		Nov 4, 2022	Taiwan Corporate Governance Association	Walshin Technology's growth in passive components	3 hrs

C. Advanced studies for managing officers in 2022:

Title	Name	Date	Organizer	Traning course	Time
President	Thomas Fann	Aug 15, 2022	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
		Dec 23, 2022	Taiwan Investors Relation Institute	Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence governance.	3 hrs
Business Group President	Fei-Yuan Kao	Aug 15, 2022	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
		Dec 23, 2022	Taiwan Investors Relation Institute	Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence governance.	3 hrs
Business Group President	Sung-Pin Chang	Aug 15, 2022	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
		Dec 23, 2022	Taiwan Investors Relation Institute	Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence governance.	3 hrs

Title	Name	Date	Organizer	Traning course	Time
Business Group President	Chi-Tseng Peng	Aug 15, 2022	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
		Dec 23, 2022	Taiwan Investors Relation Institute	Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence governance.	3 hrs
Corporate Governance Officer	Shih-Hsiung Chien	May 12, 2022	TWSE	Twin-Summit Forum	2 hrs
		June 22, 2022	Taiwan Financial Research Institute	Corporate Governance and Business Operation Seminar	3 hrs
		Jun 28, 2022	Taiwan Institute of Directors	2022 Annual Meeting of the Institute of Directors: An Era of Upheaval, Exploring the Core Competence of the Next Generation	3 hrs
		July 20, 2022	Taiwan Corporate Governance Association	Board and Functional Committee Performance Evaluation Seminar	3 hrs
		Aug 15, 2022	Taiwan Investors Relation Institute	Outlook for the overall global economic situation in the second half of 2022	3 hrs
		Oct 25, 2022	Taiwan Investors Relation Institute	The latest international ESG policy and trend analysis	3 hrs
		Dec 23, 2022	Taiwan Investors Relation Institute	Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence governance.	3 hrs
Accounting Chief	Tommy Wu	Aug 15, 2022	Taiwan Investors Relation Institute	Information security and risk trend analysis in the second half of 2022	3 hrs
		Dec 23, 2022	Taiwan Investors Relation Institute	Normative development in a confrontational international order: From the regulation of core key technologies to global artificial intelligence governance.	3 hrs

D. The situation of resignation in the Company:

Title	Name	On Board Date	Date of resignation	Reason
Director	Johnson Hou	Dec 31, 2021	Dec 22, 2022	Change the representative

E. Succession planning of board members and important management class:

The structure of the company's board of directors should be based on the company's business development scale and its major shareholders' shareholdings, considering practical operational needs. In order to establish a good governance system, the Company has established the "Corporate Governance and Sustainability Committee" on August 13, 2018 to nominate candidates for functional directors and independent directors and strengthen the functions of the board of directors.

In accordance with the Company's "Criteria for Nomination of Candidates for Directors", candidates for directors were selected and nominated by the "corporate governance and sustainability committee" in Q1, 2021, and formally nominated at the shareholders' meeting after being submitted to the board of directors for

review. The "Board Performance Evaluation Results" of each year will be provided to the "Corporate Governance and Sustainability Committee" as a reference for director nomination and reappointment. The company implements the board diversity policy in accordance with the "Corporate Governance Best Practice Principle". Currently, 11 directors (including 4 independent directors) were elected at 2021 Shareholders' Meeting (July 23, 2021) with diverse and complementary industry experience and professional capabilities in finance, finance and accounting. Independent directors increase from 20% to 36.36%; the number of female directors increased to 2, accounting for 18.18% from 6.67%.

Regarding the succession planning of the board of directors, the company nurtures high-level managers to enter the board of directors to familiarize them with the operation of the board of directors and the business of each unit of the group, and deepens its industrial experience through work rotation. Currently, the Group has many senior management professionals, so the company has a sufficient talent pool to be selected as future directors. In addition to considering diversity, directors who concurrently serve as company managers do not exceed one-third of the number of directors, and will focus on gender equality and possess the knowledge, skills and literacy necessary to perform their duties. The current chairman, Ms. Chwen-Jy Chiu, joined the TECO management team in 1997. She successively held the positions of finance director, assistant vice president of the home appliance division, vice president and president. She joined the board of directors in 2006 and took over as chairman in 2015.

The succession plan of important management is planned to meet the strategic development of the Company. In case of vacancy of important management positions due to the strategic layout of the Company, the priority is given to personnel from the succession talent pool. The succession plan is described below:

- I. Targets: The succession plan for important managers mainly aims at assistant managers, acting president of business groups, acting president and other appointed managers.
- II. Selection criteria: In addition to work ability and performance, the successors shall demonstrate five values advocated by the Company, such as ambition, customer orientation, teamwork, integrity and innovation, as well as macro and inclusive leadership, and with operation and management ability and thinking.
- III. Practices:
 - (1) Talent pool: Director-level managers will be selected in the succession talent pool of important management.
 - (2) Selection: Through talent evaluation and review, the Company will regularly check the availability of the talent pool, and tailor individual career development plans according to the short, medium and long-term succession needs of the group.
 - (3) Training development: Tutor system, rotation and assignment, management functional training, personal development plan.

Joining TECO Group on April 7, 2022, president Thomas Fann has extensive international and industrial experience and is an instructor at the Taidah Entrepreneurship Center of the National Taiwan University (NTUTECH). Fan boasts abundant management experience with such stints as president of Ford Lio Ho Motor Co., Ltd., president and executive committee chairman of Jiangling Motors Co., Ltd., an affiliate of Ford Motor in mainland China, and advisor to chairman, Foxconn Interconnected Technology Ltd., with worksites spanning Taipei, mainland China, North America, and Europe. Since assuming the presidency, he has spared no effort in cultivating next-generation ranking managers via a mentorship program in which managerial candidates receive instructions from five ranking managers regularly in 2022, as well as dispatch of two executives to work in the U.S. and China as part of job rotation.

3.3.9 Internal Control System

1. Please refer to page 83 of the Chinese annual report.
2. Those who entrust an accountant to review internal controls should disclose the accountant's review report:
None

3.3.10 In the recent year and up to the publication of the annual report, legal penalties for the company and internal staffers, penalties of internal staffers by the company for violation of internal control system and regulation, major defects and improvement status

None

3.3.11 Major Resolutions of Shareholders' Meeting and Board Meetings

A. Major Resolutions of Shareholders' Meeting and Board Meetings in the recent two years

- March 3, 2022 The board of directors resolved to convene a regular shareholder meeting on 05/20/2022 at the No. 11, Andong Rd, Zhongli District, Taoyuan City (Zhongli Plant of the Company), and the period of cessation of transfer is 03/22/2022~05/20/2022.
- March 16, 2022 (1) 2021 consolidated financial report resolved by the board of directors, which shows that consolidated operating revenue stood at NT\$52,557,027 thousand, net profit reached at 5,502,191 thousand and net income attributable to the parent company is NT\$5,013,134 thousand, with earnings per share reaching NT\$2.38.
- (2) The Board of Directors resolved cash dividend NT\$1.35 per share with the total amount NT\$ 2,887,375 thousand.
- (3) The board of directors passed the review of the amendment to the company's "Procedures for Acquisition or Disposal of Assets" and submitted it to the resolution of the 2022 regular meeting of shareholders
- (4) The board of directors approved the retirement plan of president, Chao-Chih, Lien and appointed new president, Thomas Fann. The effective date of the new appointment is 2022/04/07
- May 13, 2022 (1) The consolidated financial report for the first quarter of 2022 was submitted to the board of directors, which shows that the consolidated operating income was NT\$13,897,288 thousand, the cumulative net profit before tax was NT\$799,792 thousand, the cumulative net profit attributable to the parent company was NT\$348,439 thousand with the basic earnings per share was NT\$0.17.
- (2) The board of directors resolved to pay cash dividend NT\$1.35 per share, as total amount of NT\$ 2,887,375 thousand. The ex-dividend base date was June 21, 2022, and the cash dividend payment date was July 15, 2022.
- May 20, 2022 Important resolutions in Annual Shareholders' Meeting
- (1) Acknowledged 2021 business report and financial statement (proposed by the board).
- (2) Acknowledged 2021 profit distribution plan (proposed by the board)
- (3) Approved the proposal for the amendment to "Article of Incorporation" (proposed by the board)
- (4) Approved the proposal for the amendment to "Procedure of acquisition or disposal of asset" (proposed by the board)
- August 12, 2022 (1) The consolidated financial report for the second quarter of 2022 was submitted to the board of directors, which shows that the consolidated operating income was NT\$28,440,873 thousand, the cumulative net profit before tax was NT\$2,267,498 thousand, the cumulative net profit attributable to the parent company was NT\$1,369,116 thousand with the basic earnings per share was NT\$0.65.

- (2) The board of directors approved the setting up of "Information Security Officer" and Thomas Fann, will concurrently serve as the president.
- (3) The resolution of the board of directors approved the simple merger with the subsidiary "GD TECO", and TECO Electric Co., Ltd. is the surviving company, because GD TECO was held 100% by the company. This merger does not affect shareholders' equity.
- Nov 11, 2022 Submission of 2021 Q3 consolidated financial report to the board of directors, which shows that consolidated operating revenue stood at NT\$43,257,027 thousand, pre-tax profit reached at NT\$ 3,916,394 thousand and net income attributable to the parent company is NT\$2,452,210 thousand in the first three quarters of 2022, with earnings per share reaching NT\$1.16.
- February 17, 2023 The board of directors decided to convene the shareholders' meeting on May 24, 2023 at No. 11, Andong Rd, Zhongli District, Taoyuan City (Zhongli Plant of the Company), and the cessation of transfer period was from March 26, 2023 to May 24, 2023.
- March 15, 2023 (1) 2022 consolidated financial report resolved by the board of directors, which shows that the consolidated operating income of NT\$58,315,216 thousand, accumulated net profit of NT\$3,992,010 thousand in the current period, accumulated net profit attributable to the owner of the parent company of NT\$3,457,667 thousand, and accumulated basic earnings per share of NT\$1.64.
- (2) The Board of Directors resolved cash dividend NT\$1.5 per share with the total amount NT\$ 3,208,195 thousand.

B. Implementation of Resolutions made in Annual Shareholders' Meeting on July 20, 2022.

Number	Resolution	Implementation
1.	Acknowledged 2021 business report and financial statement. (proposed by the board)	※ The proposal was approved by the participating Shareholders with 96.27% approved percentage.
2	Acknowledged 2021 profit distribution. (proposed by the board)	1. The proposal was approved by the participating Shareholders with 96.20% approved percentage. 2. The board of directors resolved on 2022/05/13 that the ex-dividend base date is 2022/06/21, and the cash dividend has been paid on 2022/07/15. The total cash dividend of ordinary shares distributed is NT\$2,887,375,000 (NT\$1.35 per share)
3	Amendment to "Article of Incorporation" (proposed by the board)	1. The proposal was approved by the participating Shareholders with 96.05% approved percentage 2. Approved by the Ministry of Economic Affairs (Jingshangzi No. 11101094040) on 2022/06/15 to change the registration record and announced it on the company website.
4	Amendment to "Procedure of acquisition or disposal of asset" (proposed by the board)	1. The proposal was approved by the participating Shareholders with 89.69% approved percentage 2. The revised version has been announced on the company's website before the end of May 2022 and handled in accordance with relevant regulations

3.3.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None

3.3.13 Resignation or Dismissal of Personnel Involved in Preparation of Financial Reports

Title	Name	On Board Date	Date of Resignation	Reason
President	Chao-Chih, Lien	April 25, 2018	April 6, 2022	Retirement
Assistant Vice President	Sheng-Chyuan, Lin	July 1, 2000	May 1, 2022	Retirement

3.4 Information on CPA fee

3.4.1 Accountant Information

Name of accounting firm	CPA names		Auditing period	Note
Pricewaterhouse Coopers, Taiwan	Wu, Yu-Lung	Chou, Chien-Hung	2022	

1.4.2 Table of Brackets for CPA Fees

Unit: NT\$ thousand

Name of accounting firm	CPA names	Auditing period	Auditing fee	Non-auditing fee	Total	Note
Pricewaterhouse Coopers	Wu, Yu-Lung	2022/1/1~12/31	13,380	-	13,380	
	Chou, Chien-Hung					
Pricewaterhouse Coopers	Hsu, Li-Chen	2022/1/1~12/31	-	4,165	4,165	Note
	Huang, Ching-Yen					

Note: The above-mentioned non-audit fee is mainly for three-tiered TP documentation review, tax administrative relief and inventory scrapping, etc.

3.4.3 Non-inspection fees for CPAs, accounting firms, and its affiliates account for over one quarter of inspection fee: None

3.4.4 Replacement of accounting firm and auditing fee for the replacement year is lower than amount in the year prior to the replacement: None

3.4.5 Auditing fee decreases by over 10% from the previous year: None

3.5 Information on replacement of CPA: Not applicable

3.6 Information on service of the company's chairman, president, and financial or accounting managers at the accounting firm or its affiliates: None

3.7 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

3.7.1 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders (with more than 10% shareholding)

3.7.1.1 Changes in Shareholding of Directors

Unit: Share

Title	Name	2022		Mar. 31, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Tong Kuang Investment Co., Ltd. Representative: Chwen-Jy Chiu	0	(6,947,000)	0	0
		130,567	0	0	0
Director	Tong Ho Global Investment Co., Ltd. Representative : Cheng-Tsung Huang	0	0	0	0
		0	(1,968,000)	0	0
Director	Ho Yuan International Investment Co., Ltd. Representative: Pen- Ching Cheng	7,238,000	0	483,000	0
		0	0	0	0
Director	Yinge Int. Inv. Co., Ltd Representative : Li-Chong Huang	6,700,000	0	0	0
		0	0	0	0
Director	Creative Sensor Inc. (Note) Representative: Johnson Hou	(8,030,000)	0	(10,780,000)	0
		0	0	0	0
Director	Show-Shoun Chou	0	0	0	0
Director	Song-Ren Fang	0	0	0	0
Indepent Director	Wei-Chi Liu	0	0	0	0
Indepent Director	Hsieh-Hsing Huang	0	0	0	0
Indepent Director	Li -Chen Lin	0	0	0	0
Indepent Director	Shiang-Chung Chen	0	0	0	0

Note: The representative of Creative Sensor Inc. changed from Johnson Hou to Jack Hou on December 22nd 2022. Both of the representatives own no shares.

3.7.1.2 Changes in Shareholding of Managers

Unit: Share

Title	Name	2022		Mar. 31, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
President	Thomas Fann (Note 1)	0	0	0	0
Business Group President	Sung-Pin Chang	31,662	0	0	0
Business Group President	Chi-Tseng Peng	0	0	21,352	0
Business Group President	Fei-Yuan Kao	40,953	0	0	0
Assistant Vice President	Sheng-Chyuan Lin	0	0	0	0
General Director of Teco Group Research Institute	Kun-Yao Ho	0	0	0	0
Corporate Governance Officer	Shih-Hsiung Chien	0	0	0	0
Accounting Chief	Tommy Wu	0	0	0	0

Note 1 : President Thomas Fann took office on April 7th 2022. Former President, Chao-Chih retiredNote 2 : Sheng-Chyuan Lin retired on May 1st 2022.

3.7.1.3 Changes in Shareholding of Major Shareholders

Unit: Share

Title	Name	2022		Mar. 31, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Major Shareholder	PJ Asset Management	0	0	0	0
Major Shareholder	Walsin Lihwa Corporation	0	0	666,000	0

3.7.2 Shares Transfer with Related Parties

Name	Reason of Transfer	Date of Transaction	Transferee	Relationship between Transferee and the Company, Directors, Supervisors and Shareholders with more than 10% shareholding	Shares	Transaction Price (NTD)
Yinge Int. Inv. Co., Ltd	obtain (Shareholders use the price of shares to offset the cash increase payment)	2022/01/18	Po-Chih Huang	Yinge Int. Inv. Co., Ltd	6,700,000	31

3.7.3 Shares Pledged with Related Parties

Name	Reason of Pledge	Date of Transaction	Transferee	Relationship between Transferee and the Company, Directors, Supervisors and Shareholders with more than 10% shareholding	Shares	Shares holding %	Shares Pledged %	Pledged Amount
Not Applicable								

3.8 Information Disclosing the Relationship between any of the Company's Top Ten Shareholders

March 31, 2022

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Share holders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
PJ Asset Management	373,237,991	17.45%	0	0%	0	0%	Ho Yuan International Investment Co., Ltd. Jaryuan Investment Co. Ltd	Related party	-
Walsin Lihwa Corporation	231,104,730	10.81%	0	0%	0	0%	None	-	-
Jaryuan Investment Co. Ltd	135,653,000	6.34%	0	0%	0	0%	Ho Yuan International Investment Co., Ltd. PJ Asset Management	Related party	-
Creative Sensor Co., Ltd.	61,489,000	2.87%	0	0%	0	0%	None	-	-
Ho Yuan International Investment Co., Ltd.	50,420,000	2.36%	0	0%	0	0%	Jaryuan Investment Co. Ltd. PJ Asset Management	Related party	-
Tong Kuang Investment Co., Ltd.	31,991,364	1.50%	0	0%	0	0%	Kuan Yuan Industrial Co., Ltd.	Related party	-
Norges Bank	30,946,193	1.45%	0	0%	0	0%	None	-	-
Vanguard Emerging Markets Stock Index Fund	27,720,320	1.30%	0	0%	0	0%	None	-	-
Kuan Yuan Industrial Co., Ltd.	26,833,919	1.25%	0	0%	0	0%	Tong Kuang Investment Co., Ltd.	Related party	-
Vanguard Total International Stock Index Fund	25,830,034	1.21%	0	0%	0	0%	None	-	-

Note: This item is based on the registration of the register of shareholders whose transfer has been suspended

3.9 Long-Term Investments Ownership

Dec 31, 2022

Investee	Ownership by TECO		Direct / Indirect Ownership by Directors, Supervisors and Management		Total Investment	
	Shares	%	Shares	%	Shares	%
Tong Dai Co., Ltd.	6,615,234	83.53%	0	0.00%	6,615,234	83.53%
TECO International Investment Co., Ltd.	77,847,395	100.00%	0	0.00%	77,847,395	100.00%
TECO Holding, USA	1,680	100.00%	0	0.00%	1,680	100.00%
TECO Electric & Machinery Pte Ltd. Singapore	7,200,000	90.00%	800,000	10.00%	8,000,000	100.00%
Tong An Assets Management & Development Co., Ltd.	395,415,338	100.00%	0	0.00%	395,415,338	100.00%
Appliance (HK) Ltd.	1,499,999	99.99%	1	0.01%	1,500,000	100.00%
Tong An Investment Co., Ltd.	577,913,365	99.60%	2,182,277	0.40%	580,095,642	100.00%
TECO Electro Devices Co., Ltd.	10,253,864	59.56%	259,926	1.51%	10,513,790	61.07%
Tecnos International Consultant Co., Ltd.	6,952,885	57.52%	1,936,069	16.02%	8,888,954	73.54%
UVG Investment Co., Ltd.	195,416,844	100.00%	0	0.00%	195,416,844	100.00%
Information Technology Total Services Co., Ltd.	11,467,248	41.97%	1,924,250	7.04%	13,391,498	49.01%
Tesen Electric & Machinery Co., Ltd.	20,000,000	100.00%	0	0.00%	20,000,000	100.00%
Taitec Technology CO.,LTD.	950,000	95.00%	0	0.00%	950,000	95.00%
Yatec Engineering Corp.	7,800,000	64.95%	0	0.00%	7,800,000	64.95%
Taian (Subic) Electric Co., Inc.	17,131,155	76.70%	0	0.00%	17,131,155	76.70%
An Tai International Investment Co., Ltd.	37,352,237	100.00%	0	0.00%	37,352,237	100.00%
Micropac (BVI)	14,883,591	100.00%	0	0.00%	14,883,591	100.00%
Taian-Etacom Technology Co., Ltd.	7,033,000	84.73%	0	0.00%	7,033,000	84.73%
Taian Electric Co., Ltd.	100,000	100.00%	0	0.00%	100,000	100.00%
Tecom	60,090,307	63.52%	0	0.00%	60,090,307	63.52%
E-Joy International Co., Ltd.	8,266,820	93.16%	435,095	4.90%	8,701,915	98.07%
A-Ok Technical Co., Ltd.	1,950,000	86.67%	0	0.00%	1,950,000	86.67%
TECO Technology (Vietnam) Co., Ltd.	0	100.00%	0	0.00%	0	100.00%
TECO (Philippines) 3C & Appliances, Inc.	2,604,000	60.00%	0	0.00%	2,604,000	60.00%
An-Sheng Travel Co., Ltd.	480,000	16.00%	2,207,500	73.58%	2,687,500	89.58%
Taiwan Pelican Express Co., Ltd.	24,121,700	25.27%	7,740,800	8.11%	31,862,500	33.38%
Eagle Holding Co.	1	100.00%	-	0.00%	1	100.00%
Century Development	100,592,884	28.67%	84,513,508	24.08%	185,106,392	52.75%
Teco Sun Energy	2,100,000	30.00%	2,100,000	30.00%	4,200,000	60.00%
Temico International Pte. Ltd.	5,448,000	60.00%	0	0.00%	5,448,000	60.00%
Tong An Energy	5,000,000	100.00%	0	0.00%	5,000,000	100.00%

3.10 Procedure of Material Information: The company has stipulated “Preventing Insider Trading Rules and Major Internal Information Processing Procedures” and announced to the employees to follow.